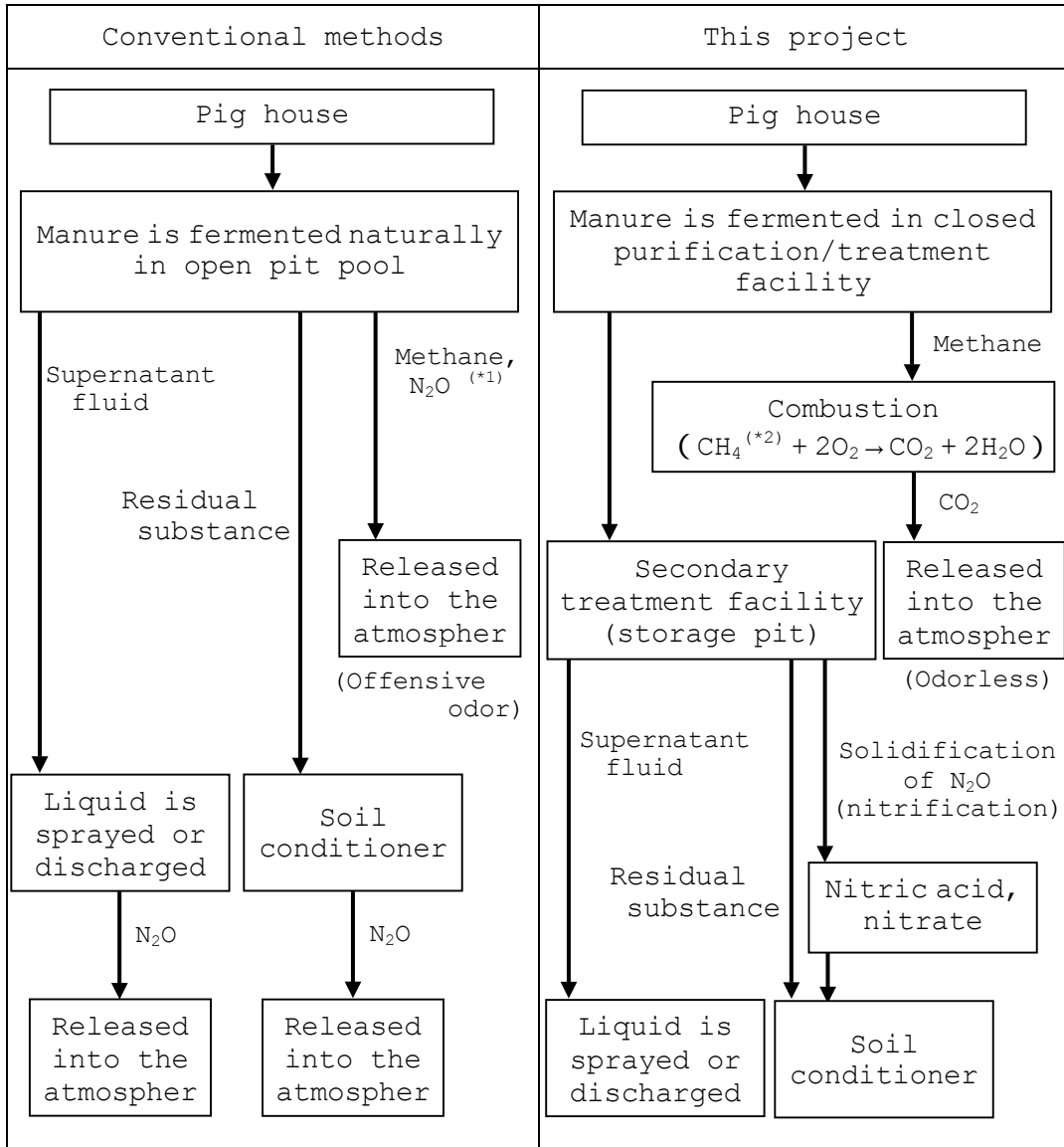


Outline of Chilean Methane Recovery Project

1. Outline

- Agrosuper has installed state-of-the-art closed manure purification / treatment facilities at five pig farms owned and managed by the company in the VI and Metropolitan regions in central Chile. The methane gas generated by treatment is recovered and burned, resulting in greenhouse gas reductions of some 400,000 tons (CO₂ equivalent) annually.
- TEPCO will purchase about 2 million tons (CO₂ equivalent) of carbon credits generated in this project in a nine-year period from 2004 to 2012.

2. Manure Treatment Flow



*1: Nitrous oxide

*2: Methane

3. Implementation System

- The Methane Recovery Project is operated and managed by Agrosuper.
- TEPCO will purchase carbon credits generated in this project.

4. Starting Time

- At present, state-of-the-art manure treatment facilities are installed at five pig farms under this Methane Recovery Project, which has been implemented in multiple stages since December 2000.
- Carbon credits were issued this time for one of the five pig farms following verification and accreditation of greenhouse gas emissions reduction by the UN Designated Operational Entity. The remaining four pig farms are expected to undergo the verification and accreditation process in the future.

5. Expected Effects

Reduction in greenhouse gas emissions.

Reduction of 400,000 tons per year (CO₂ equivalent). TEPCO will purchase credits worth about 2 million tons (CO₂ equivalent) in a nine-year period from 2004 to 2012.

Reduction of offensive odor.

Utilization of residual substances that contain nitrates as soil conditioner for eucalyptus trees planted inside the compound.

Reuse of wastewater for irrigation.

Improvement of manure treatment facilities in other parts of Chile through the implementation of similar projects.

6. Construction Cost pertaining to the Methane Recovery Project

The construction cost of facilities on the five pig farms totals about US\$15 million.