

FOEX Indexes Ltd (FOEX) and Wood Resources International LLC (WRI) to partner in the launching of Global Wood Chip Price Indices

More than 80 million tons of wood chips, valued at almost ten billion US dollars, are traded annually in the open market worldwide and the shipment volumes are increasing.

The vast majority of traded wood chips are currently utilized for pulp production, but the volumes used to generate energy are growing. The key participants in this trade, including forest companies, energy producers, trading houses and financial institutions, have requested that FOEX consider including wood chip prices in the company's portfolio of well-established pulp, paper and pellet indices. These FOEX trademarked and audited indices (PIX) have been the benchmark for the global forest industry for a number of years (see www.foex.fi for more information).

WRI, an internationally recognized forest industry consulting firm that specializes in evaluations of global forest resources and wood raw-material prices, including prices of wood chips, already collects and publishes prices of sawlogs, pulpwood and wood chips since 1988 (see www.woodprices.com for more information).

FOEX and WRI have agreed to partner in the launching of global wood chip price indices. As for all price benchmarks in FOEX's PIX-index family, the indices will be based on a large number of actual trades and the data will be collected from both sellers and buyers of wood chips. Initially, the price indices will be published separately for pulp and energy end-uses. Detailed index specifications will be published after discussions with the interested parties have been concluded.

The combined efforts of FOEX and WRI, and the PIX-index system, will ensure that the indices, whose launch is planned for early 2011, will be statistically reliable and thus well suited for numerous market participants. These include forest and energy companies who can use price indices for benchmarking, as well as the financial community, which can use the Indices as price risk management tools.

Those who would like to participate in the index formation process or to know more about this new, unique benchmark service, may contact either the FOEX representative in bio-indices, Mr. Matti Sihvonen (matti.sihvonen@foex.fi), or Timo Teräs, the Managing Director (timo@foex.fi), or Mr. Håkan Ekström, the President of WRI (hekstrom@wri-ltd.com).