



F&C Management Limited
Exchange House
Primrose Street
London EC2A 2NY

Telephone +44 (0)20 7628 8000
Facsimile +44 (0)20 7628 8188
www.fandc.com

Press Release

**For immediate release
11th September 2008**

Leading investors press SEC to consider carbon impact on oil reserve disclosures

F&C has this week joined forces with US and Canadian investors, environmental and non-profit groups to encourage the US Securities and Exchange Commission to request that oil and gas companies' factor in the carbon impacts of future barrels when accounting for their reserves.

The influential US regulator is currently considering new proposals for the way in which oil and gas companies report their reserves to try and create more internationally consistent standards of reporting. In particular, the technologies utilised for oil reserve estimations have evolved significantly in recent years and oil and gas companies listed in US exchanges are now far more dependent on external reserves than they were when the rules were originally drafted.

In their letter, F&C and its co-filers argue that climate change and policies being developed to reduce carbon emissions could over time render certain assets uneconomic – particularly those which require high carbon emissions as part of their extraction processes. They therefore argue that in reporting their reserves, oil and gas companies should be required to assess the carbon impact of future barrels, not just the number of barrels a company may have.

Elizabeth McGeveran, senior vice president in F&C's governance and sustainable investment team, explains: "As investors in oil and gas companies it is important for us to be able to assess the risk profile of reported reserves to factor in the costs of carbon emissions, particularly as global policy frameworks begin to change.

F&C Management Limited is authorised and regulated by the Financial Services Authority (FSA) FRN: 119230. Limited by shares. Registered in England and Wales, No 517895. Registered address and Head Office: Exchange House, Primrose Street, London EC2A 2NY.

F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

For example, the energy consumption required to extract a barrel from Canadian tar sands is very different to a simple barrel of crude from the Gulf of Mexico. Understanding climate risk will assist investors in understanding and evaluating reserves.”

“SEC regulations already require the disclosure of known trends that companies can reasonably expect will have a material impact on net sales, revenues or income from continuing operations,” added McGeveran, “and we believe that the disclosure of any estimated additional risks posed by the extraction and development of additional reserves will be important.”

- ends -

Press enquiries – 0207 011 4600

Notes to Editors

F&C Investments

- F&C Asset Management (F&C) is a London Stock Exchange listed asset management group which traces its origins back to 1868 with the launch of the Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.
- F&C is an active fund manager with a multi-specialist investment model where individual teams have strong accountability for their products and processes. The group is also an active shareholder with a leading franchise in governance and sustainable investment.
- F&C now manages £96.5 billion (€121.9 billion) of assets* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes such as Socially Responsible Investment funds, hedge funds, funds of hedge funds, private equity funds, Global Tactical Asset Allocation products, enhanced alpha funds and Liability Driven Investments. F&C invests globally and has been a longstanding investor in emerging markets.
- F&C manages assets principally from three investment centres: London, Amsterdam and Edinburgh. The group has an office network spanning ten countries: China (Hong Kong), France (Paris), Germany (Frankfurt), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), UK (London, Edinburgh, Dorking) and the United States (Boston).

* As at 30 June 2008.

F&C Management Limited is authorised and regulated by the Financial Services Authority (FSA) FRN: 119230. Limited by shares. Registered in England and Wales, No 517895. Registered address and Head Office: Exchange House, Primrose Street, London EC2A 2NY.

F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.