



INDUSTRY UPDATE

NEWS FROM ICOR INTERNATIONAL, INC.

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Phase Out of HCFCs Accelerated by 10 Years

Montreal, Quebec

During the 19th Meeting of the UN parties to the Montreal Protocol held in Montreal on September 17-21, 2007, and following lengthy negotiations, an agreement on the following was reached: all developed countries have agreed to reduce production and consumption of HCFCs by 2010 by 75% and by 90% by 2015 with final phase-out in 2020. The developing countries have also agreed to cut production and consumption of HCFCs by 10% by 2015, by 35% by 2020, by 67.5% by 2025 with final phase-out in 2030. This is effectively a 10 year acceleration of the original phase out schedule. Now the U.S. Congress will move to make the changes law by revising the Clean Air Act amendment.



Even though a small percentage (2.5%) of the original baseline amount will be allowed in developing countries during the period 2030-2040 for servicing purposes (0.5% in developed countries during the period 2020 - 2030), the accelerated phase-out of HCFCs should imply that no new plants running on HCFCs shall be operated in developed or developing countries.

Anticipation of these changes has sent the worldwide market for HCFCs, and especially R-22, into a trading frenzy. The price of R-22 increased another \$2.00 per pound in the U.S. since September 2007. By summer of 2008 the wholesale price for R-22 could exceed \$200.00 per cylinder. This would bring many alternative refrigerants such as R-422B (NU-22B®) and R-407C into R-22s price range. The recent increases have already caused a sharp spike in alternative refrigerant sales as users begin to explore their options.

For more information regarding the HCFC phase out go to www.epa.gov. To learn more about ICOR's direct replacement for R-22, NU-22B, go to www.icorinternational.com or call our Tech-2-Tech TOLL FREE hotline at: 866-433-TECH (8324).

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