



SFE Bulletin No: 107/01
From: SFE Corporation Limited ABN 74 000 299 392
Date of Issue: 25 October 2001

30 Grosvenor Street
Sydney NSW 2000 Australia
Telephone 61 2 9256 0555
Facsimile 61 2 9256 0666

PO Box N680
Grosvenor Place
NSW 1220 Australia

**Market Announcement:
Movement of Commonwealth Government Securities (CGS) to SFE's Austraclear system**

The Reserve Bank of Australia (RBA) has informed financial market participants (October 19th, 2001) that it will cease providing an electronic settlement service for Commonwealth Government Securities (CGS) in the Reserve Bank Information and Transfer System (RITS), and will move its own portfolio of CGS to SFE's Austraclear System.

In its letter to participants the RBA indicated that this followed confirmation by RITS members of their support for the move of CGS from RITS to the system operated by SFE's wholly owned subsidiary, Austraclear Limited.

There are a number of legal and other operational matters to be finalised with the RBA, which indicated in its letter to participants that it envisaged the transfer occurring early in the New Year. Following discussions with the RBA on 24 October 2001, the SFE expects the transfer to take place in February 2002.

The merger of SFE and Austraclear in December 2000 provided scope for:

- participant fee reductions, in the event that a transfer of the type subsequently outlined in the RBA's letter to participants occurred at any stage; and
- a modest number (2,227,500) of additional SFE shares to be issued to the former Austraclear shareholders, in the event that a transfer of this type occurred before 31 December 2001.

No additional shares will be issued in the event the transfer takes place in February 2002 as anticipated and participant fee reductions already advised to market participants will be confirmed in late November 2001 (as part of an SFE wide fees and charges announcement for 2002) and will take effect from 90 days after the physical transfer of CGS holdings to the Austraclear system.

Should you have any queries relating to the transfer of CGS to Austraclear's system please contact Charles Kelly on 9256-0602 or ckelly@sfe.com.au

A handwritten signature in black ink that reads 'Malcolm Starr'.

Malcolm Starr
General Counsel