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COMMENCEMENT OF NEW EXCHANGE -2 JANUARY 2002

A restructure of the corporate entities within the SFE Group comes into effect on 2 January 2002 (see attached).

Without participants having to make any changes to the way they access SYCOM, as from the start of trading on 2 January 2002, any orders submitted will be traded on Sydney Futures Exchange Limited, ("the Exchange"), a subsidiary of the parent company that has been operating the market for the last 41 years (most of it under the same name as the new entity, and more recently as SFE Corporation Limited).

Transferring the business of operating markets in derivatives out of SFE Corporation to the Exchange better aligns the corporate structure with the accelerating diversification of group businesses. There is no substantial difference between the current SFE Corporation's market operations and that of the new SFE market. This market transfer will have no impact on the business operations of Participants. As part of the restructure process, SFE Corporation took a number of steps to achieve a seamless transfer of existing derivatives business to the new market.

Key steps included -:

- Approval by the Minister for Financial Services and Regulation of the Exchange as a new *Australian Futures Exchange*;
- Ministerial approval for SFE Clearing Corporation Pty Ltd to provide clearing services to the new SFE;
- Foreign regulatory approvals in UK, USA, Japan, Hong Kong and New Zealand;
- Assignment and novation of all relevant third party agreements from SFE Corporation to SFE;
- Establishment of a Fidelity Fund for the Exchange/SFE.

Key features of the restructure process are as follows:

- Participants of SFE Corporation have also become Participants of SFE;
- SFE Corporation will continue to operate a futures market for trading Sorghum and Wheat futures contracts until close out of all open positions in these contracts in May 2002 or earlier;
- The Exchange will operate SFE's market for all other existing interest rate, equity, currency and commodity futures contracts;
- The Exchange's new Business Rules are substantially the same as those of SFE Corporation.

S F E B U L L E T I N C O N T I N U E D

- For further information:
- Ms Patricia Gilligan
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A handwritten signature in cursive script that reads "Malcolm Starr".

Malcolm Starr
General Counsel and Company Secretary

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THE NEW SFE CORPORATE STRUCTURE

**SFE
CORPORATION
LIMITED**

