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SFE ANNOUNCES NEW OFFICIAL MARKET MAKER FOR SFE SPI 200™ OPTIONS & INDIVIDUAL SHARE FUTURES CONTRACTS

As part of the continuing initiative to increase liquidity in SFE SPI 200™ Options and Individual Share Futures contracts, SFE is pleased to announce the appointment of the following Official Market Maker:

UBS Warburg Australia Equities Ltd

Official Market Makers in SFE Equity Products are now:

Firm/Product	SPI 200™ options	Individual Share Futures contracts
Optiver Australia Pty Ltd	✓	✓
Timber Hill Australia Pty Ltd	✓	✓
UBS Warburg Australia Equities Ltd	✓	✓

SFE believes that the continuous presence of Official Market Makers will significantly improve price discovery, liquidity and market integrity in SFE SPI 200™ Options and Individual Share Futures and play an important role in the further development of these markets.

Overview of Commitments

SPI 200™ Options

Official Market Makers are committed to:

- Provide continuous, two-way prices, within a defined bid/offer spread, in a range of SPI 200™ option strikes spanning first, second and third quarterly contracts.
- Respond to Request for Quotes in all SFE SPI 200™ option strikes outside those continuously quoted.

Individual Share Futures

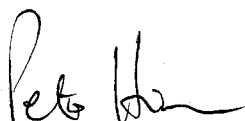
Official Market Makers are committed to:

- Provide continuous, two-way prices, within a defined bid/offer spread, in the first two quarterly contracts for all deliverable ISF's and the first six months for all cash settled ISF's.
- Respond to Request for Quotes in all ISF contracts outside those continuously quoted.

For the further details of Official Market Maker commitments, please refer to Appendix One (for SFE SPI 200™ options) and Appendix Two (for ISF's).

Further Information

For further information in relation to this Bulletin contact Martyn Wild – Manager, Equity Products, SFE Business Development on 9256 0178.



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Appendix 1: SFE SPI 200™ options Market Making Scheme – Summary of Obligations

Continuous Quotation

- (a) The Market Maker will, via an automated market making system (the “System”):
- (i) Provide continuous two-way quotes for option strikes with an Exchange delta between 0.25 and 0.55 inclusive, in the product, months, bid/offer spread and volume, as detailed below:

Product	Months	Maximum Bid/ Offer Spread	Minimum Volume per Side
SFE SPI 200™ options	First Quarter	6 index points	25 lots
SFE SPI 200™ options	Second Quarter	7 index points	10 lots
SFE SPI 200™ options	Third Quarter	8 index points	10 lots

And

- (ii) Such quotes will be maintained for a minimum of 60% (cumulatively) of the time between 10.00am and 4.10pm Australian Eastern Standard Time

Request For Quote

- (a) The Market Maker will respond to a Request For Quote (RFQ), received via the Exchange’s Request For Quote Facility, with:
- (i) A two way quote for contracts with an Exchange delta outside the continuous quotation range of 0.25 to 0.55 in the product, months, bid/offer spread and volume, as detailed below:

Product	Months	Maximum Bid/ Offer Spread	Minimum Volume per Side
SFE SPI 200™ options	All option contracts	Best Endeavours	Best Endeavours

And

- (ii) Such quotes will be maintained for a minimum of 75% (cumulatively) of the number of RFQ’s received between 10.00am and 4.10pm Australian Eastern Standard Time
- (b) Market Makers will use their best endeavours to:
- (i) Make more competitive spreads in lower delta options
- (ii) Respond to RFQs prior to 10.00am and after 4:10pm.
- (c) The Market Maker’s response to a RFQ will be released to SYCOM within ten (10) seconds of the Market Maker receiving each RFQ and available to the market for a period of not less than 30 seconds.

Custom Market Strategies

- (a) The Market Maker will use their best endeavours to:
- (i) Provide a two-way price on SYCOM for Custom Market strategies quoted via the SYCOM message facility

And

- (b) Ensure responses to Custom Market strategies quoted via the message facility are valid for not less than two (2) minutes.

Limitations of the Obligations

The Market Maker may immediately cease the input of bids and offers and response to RFQs, or increase spread ranges, in the following circumstances:

- (i) Unusual price volatility as determined by the Exchange
- (ii) Five (5) minutes either side of scheduled RBA and ABS releases;
- (iii) Lack of availability or disruption of the performance of SYCOM or the System;
- (iv) Inability of the Market Maker to access SYCOM via the SYCOM Interface;
- (v) When the underlying futures contract bid/offer spread is greater than three (3) basis points wide.
- (vi) Where less than three (3) days remain to expiry (inclusive of the expiry day).

Appendix 2: SFE Individual Share Futures Market Making Scheme – Summary of Obligations

Continuous Quotation

- (a) The Market Maker will, via an automated market making system (the “System”):
- (i) Provide continuous two-way quotes in the products, months, bid/offer spread and volume, as detailed below,

Product	Months	Maximum Bid / Offer Spread	Minimum Volume per Side
All Deliverable ISF's	First and Second Quarters	Underlying Stock Price: Below \$1.00 = 4 cents \$1.01 to \$10.00 = 6 cents \$10.01 to \$20.00 = 8 cents \$20.01 and above = 10 cents	Underlying Stock Price: Below \$10.00 = 10 Lots \$10.01 and above = 5 Lots
All Cash-Settled ISF's	First Six Months	Underlying Stock Price: Below \$1.00 = 4 cents \$1.01 to \$10.00 = 6 cents \$10.01 to \$20.00 = 8 cents \$20.01 and above = 10 cents	Underlying Stock Price: Below \$10.00 = 10 Lots \$10.01 and above = 5 Lots

And

- (ii) Such quotes will be maintained for a minimum of 60% (cumulatively) of the time between 10.00am and 4.10pm Australian Eastern Standard Time

Request For Quote

- (a) The Market Maker will respond to a Request For Quote (RFQ), received via the Exchange's Request For Quote Facility, with:
- (i) A two way quote for contracts in the products, months, bid/offer spread and volume, as detailed below,

Product	Months	Maximum Bid / Offer Spread	Minimum Volume per Side
All ISF's	All Quarters/Months Not Continuously Quoted	Best Endeavours	Best Endeavours

And

- (ii) Such quotes will be maintained for a minimum of 75% (cumulatively) of the number of RFQ's received between 10.00am and 4.10pm Australian Eastern Standard Time
- (b) Market Makers will use their best endeavours to respond to RFQs prior to 10.00am and after 4:10pm.
- (c) The Market Maker's response to a RFQ will be released to SYCOM® within ten (10) seconds of the Market Maker receiving each RFQ and available to the market for a period of not less than 30 seconds.

Limitations of the Obligations

The Market Maker may immediately cease the input of bids and offers and response to RFQs, or increase spread ranges, in the following circumstances:

- (i) Five (5) minutes either side of scheduled stock specific data releases;
- (ii) Lack of availability or disruption of the performance of SYCOM®, the exchange trading system of the underlying stock or the System;

- (iii) Inability of the Market Maker to access SYCOM® via the SYCOM® Interface;
- (iv) When the underlying stock/ISF is suspended.