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BHP BILLITON LIMITED DEMERGER OF BHP STEEL LIMITED – ACTION IN RESPECT OF BHP BILLITON LIMITED INDIVIDUAL SHARE FUTURES CONTRACTS

1.0 Introduction

- 1.1 BHP Billiton Limited recently announced their intention to demerge BHP Steel Limited. BHP Billiton Limited believes that the demerger will enable both companies to focus their attention on core businesses.
- 1.2 The demerger will be implemented by way of a capital reduction and distribution of one BHP Steel Limited share for every five BHP Billiton Limited shares held.
- 1.3 The demerger is subject to shareholder approval at the General Meeting on 26 June 2002 and Court approval on 1 July 2002. **The Effective Date for adjustments to existing BHP Billiton Limited Individual Share Futures contract (BHP ISF) with open interest will be Tuesday, 2 July 2002 (SYCOM® Trade Date 2 July 2002).**
- 1.4 The purpose of this Bulletin is to describe adjustments to be made in respect of existing BHP ISF's (commodity code 'BI') and the listing of a new BHP Billiton ISF (commodity code 'BL') should the necessary approvals occur.

2.0 Potential Changes

- 2.1 Subject to necessary approval, all consecutive BHP ISF's (commodity code 'BI') without open interest at 4:30pm on 1 July 2002 (SYCOM® Trade Date 1 July 2002) will be suspended from trading and subsequently de-listed.
- 2.2 At 4:30pm on the Effective Date, all remaining BHP ISF's (commodity code 'BI') will be adjusted by incorporating the value of the BHP Steel entitlement into the Contract Unit. This will occur by referencing the Volume Weighted Average Price (VWAP) of both ex-entitlement BHP Billiton shares and a special quotation cum-entitlement market for BHP Billiton shares on the Effective Date. The adjustment will be made according to the following formula:

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

Implied BHP Steel value =

5 * (VWAP of cum-entitlement BHP Billiton - VWAP of ex-entitlement BHP Billiton)

New Contract Unit =

Existing Contract Unit + $\frac{(200 * \text{Implied BHP Steel value})}{\text{VWAP of ex-entitlement BHP Billiton}}$

2.3 **Participants are therefore advised that the final adjustment to the Contract Unit of BHP ISF's (commodity code 'BI') will not be known until after the close of trading on the Effective Date.** BHP ISF's traded on the Effective Date will therefore incorporate the adjusted Contract Unit, although this will not be known until 4:30pm that day. A further Bulletin describing the adjusted Contract Unit will be issued at this time.

2.4 No further BHP ISF's (commodity code 'BI') will be listed on and from the Effective Date.

3.0 Introduction of New BHP ISF's

3.1 At 9:50am on the Effective Date (SYCOM® Trade Date 2 July 2002), a new BHP ISF (commodity code 'BL') will be listed with a standard Contract Unit of 1,000 BHP Billiton shares per lot. This BHP ISF will be listed concurrently with any adjusted BHP ISF (commodity code 'BI') in existence at the time.

3.2 The following expiry months for BHP ISF's (commodity code 'BL') listed on the Effective Date will be September 2002, December 2002, March 2003 and June 2003.

4.0 Settlement & Delivery

4.1 Settlement of BHP ISF's (commodity code 'BI') on and from the Effective Date will be satisfied by the delivery of an adjusted number of BHP Billiton Limited shares per lot.

4.2 Settlement of BHP ISF's (commodity code 'BL') on and from the Effective Date will be satisfied by the delivery of 1,000 BHP Billiton Limited shares per lot.

5. Further Information

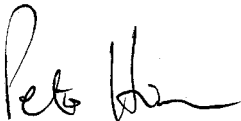
5.1 Participants seeking further information in relation to this Bulletin should contact:

5.1.1 Martyn Wild in SFE Business Development (02 9256 0178) for issues relating to changes to contract specifications;

5.1.2 David Raper in SFE Trading Operations (02 9256 0554) for SYCOM® issues; or

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

5.1.3 Greg Fitzpatrick in SFE Clearing (02 9256 0642) for settlement and clearing issues.

A handwritten signature in black ink, appearing to read 'Peter Hiom', written in a cursive style.

Peter Hiom
General Manager, Strategy and Business Development

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