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From: SFE Corporation Limited ABN 74 000 299 392

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SELF REPORTING INADVERTENT WASH TRADES

As Participants would be aware it is a breach of the Operating Rules to effect or have effected a trade where both sides are for the same account.

Operating Rule 3.1.15 (Wash Trades) states that Participants must not allow trades to occur such that both sides of the trade are on behalf of the same account.

The intention of the above Rule is to prohibit cross trades that are fictitious to the extent that both sides are on behalf of the same beneficial party, whether this is a Participant or a client account. It is not intended that the Rule prohibits trading by the same entity where the ultimate accounts to which the trades are allocated are different, for example; where orders are placed by the same entity, however the trades are for two different divisions (accounts), or where the Client who places the orders is trustee, or responsible entity, for two different funds.

It is acknowledged that Participants (Full and Local) may *inadvertently* execute trades whereby both the buy and sell are for the same account. However, as this does represent a breach of the Operating Rules, any trades that are *known* by the Participant to represent 'wash trades' must be reported to SFE. SFE Compliance & Surveillance may subsequently initiate an enquiry, if deemed appropriate, in order to verify whether the trade was in fact inadvertent.

In this regard, Participants should note their respective obligations to self-report breaches of the Operating Rules:

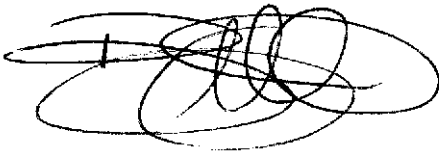
Operating Rule 2.2.10 (Compliance with Operating Rules and Notification of Breaches) part (b) states that a Full Participant shall notify the Exchange immediately upon becoming aware that it has breached any provision of the Operating Rules or any law relating to the regulation of markets operated by the Exchange.

Similarly, Operating Rule 2.3.10(b) states that a Local Participant shall notify the Exchange immediately upon becoming aware that it has breached any provision of the Operating Rules or any law relating to the regulation of markets operated by the Exchange;

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

Participants are advised that they may report such trades to the Exchange either via email to surveillance@sfe.com.au or in writing to the Manager, Compliance & Surveillance, PO Box N680, Sydney NSW 1220.

Should you have any queries please contact Bronwyn Hill on 9256-0699 or at bhill@sfe.com.au.

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line extending to the left.

BRONWYN HILL
MANAGER, COMPLIANCE & SURVEILLANCE