

S F E B U L L E T I N



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SFE Bulletin No: 75/04

From: SFE Corporation Limited ABN 74 000 299 392

Date of Issue: 29 Nov 2004

Effective Date: 1 January 2005

PRE-PAID EXCHANGE FEE SCHEME FOR D-CYPHA SFE AUSTRALIAN ELECTRICITY FUTURES AND OPTIONS

d-cyphaTrade and SFE are please to announce that a pre-paid exchange fee scheme will be available in 2005 for the d-cypha SFE Australian Electricity Futures and Options Products.

Details of the scheme are attached to this Bulletin and are also available on the d-cyphaTrade website – www.d-cyphatrade.com.au. Please note that the deadline for application to the scheme is 14 January 2005.

For enquiries please contact:

- d-cypha SFE Australian Electricity Futures and Options – Cathy Sutin, d-cyphaTrade, (02) 8211 0618
- Operation of Pre-paid Exchange Fee Scheme – Ramy Aziz, SFE 9256 0657

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

PETER HIOM
GENERAL MANAGER, EXCHANGE BUSINESS DEVELOPMENT

Pre-Paid Exchange Fee Scheme and Off-Peak Concessions

Pre-Paid Exchange Fee Scheme

A 2 tier Pre-Paid Exchange Fee Scheme for electricity futures and option contracts will operate from 1 January 2005 to 31 December 2005 (The Year). Market participants have an opportunity to enter the Pre-Paid exchange fee scheme at any point before the close of business on 14 January 2005. After that date the scheme will be closed to new subscriptions.

Scheme	Minimum Entry Cost (GST Excluded)	Tier Discounts * (i.e. Discount to the published Exchange Fee)
Tier 1	\$80,000	18%
Tier 2	\$50,000	10%

* Discounts apply to the Headline Exchange Fee and Off Peak Concession on Electricity Futures and Option only.

The terms of the Pre-Paid Exchange Fee Scheme are as follows:

- The Tier entry cost is a minimum. A customer can pay more than the minimum cost and still receive the Tier Discount. The maximum for Tier 2 will effectively be the Tier 1 above it. Tier 1 is uncapped.
- A Scheme participant will pay the Full Headline Exchange Fee once they have used their Pre-Paid Exchange Fees.
- Subject to (d) below, market participants may only enter the Scheme once, i.e. each Market participant is only entitled to one subscription to the Scheme. No initial entry subscriptions will be accepted after 14 January 2005.
- A subscriber to Tier 1 of the Scheme may apply up to a maximum of three (3) "top-up" subscriptions during the course of The Year, provided that their initial Tier 1 entry subscription was for an amount greater than or equal to \$120,000. The subscriber shall continue to receive the full Tier 1 discount of 18% on all top-up subscriptions. A top-up subscription may not be for less than \$20,000, and must be received in advance.
- Unused subscriptions (entry costs and top-up subscriptions) are non-refundable. However balances equating to no more than 50% of the user's initial subscription, may be carried over at year-end, ONLY if the Scheme participant enters a pre-pay scheme for the following year. Any unused subscription balance that is carried over will be subject to that new Scheme's rules and discount structures. If SFE does not offer a new scheme unused subscription balances may only be used to pre-pay the published Headline Exchange Fee on Electricity Futures and Options at the Tier Discount.

Off-Peak Concessions

Where a transaction is undertaken to obtain 'off-peak' exposure, a concession of \$32.00 (ex GST) per Base Load and Peak Period contract traded is available such that the Exchange Fee for trading an 'implied' Off-Peak futures contract is \$21.00 per contract side (ex GST).

Eligibility for this concession requires the simultaneous execution of 'same state' Base Load and Peak Period Electricity Futures contracts with the same expiry date.

For example, the following trades would qualify for Off-Peak concessions:

- The simultaneous purchase of a Q2 2005 QLD Base Load Electricity futures contract and sale of a Q2 2005 QLD Peak Period Electricity Futures contract; and,
- The simultaneous purchase of the Cal 2006 NSW Base Load Electricity Futures product and sale of the Cal 2006 NSW Peak Period Electricity Futures product.

Administration of Prepaid Exchange Fee Scheme and Concessions

The Pre-Paid Exchange Fee Scheme and Off-Peak Concessions are only available to individual clients that meet the scheme criteria and are not available to brokers amalgamating individual client trades. For this purpose only, the definition of an individual client encompasses a single client trading through a broker and the principal (House) trading activity of an organisation that provides brokerage services.

The Pre-Paid Exchange Fee Scheme will be administered as follows:

- 1) Pre-Paid Exchange Fee Scheme Registration Forms must be endorsed by a SFE Clearing Participant. SFE Clearing Participants may reserve the right to decline providing their clients with access to the Pre-Paid Exchange Fee Scheme outlined in this Bulletin.
- 2) SFE Clearing Participants will be required to lodge with the SFE a prescribed form (attached) no later than 10.00am on the 1st Business Day of every month on behalf of each client that has transacted under a Pre-Paid Exchange Fee Scheme and Off-peak Concession.
- 3) The timely lodgement of the forms is the responsibility of SFE Clearing Participants and their clients. Late lodgements will result in SFE Clearing Participants being charged the Headline Exchange Fee and issued with a rebate 10 business days after the form is lodged.
- 4) SFE will in turn adjust the monthly billing statement of SFE Clearing Participants so that SFE Clearing Participants can in turn bill their clients accordingly.
- 5) It will be the responsibility of SFE Clearing Participants to bill their clients in accordance with the processes required for the Pre-Paid Exchange Fee Scheme or Off-peak Concession. SFE will accept no liability for the failure of the Clearing Participant to accurately report the trading volume of the market participant. Where any inaccuracy occurs, which in turn leads to an erroneous payment, then it is a matter between the Market Participant and Clearing Participant. No claims will lie against SFE or SFE Clearing.
- 6) Clients wishing to subscribe to the Pre-Paid Exchange Fee Scheme should make payments payable to their clearer, who in turn will forward the payment to SFE. SFE will record the Pre-Paid amount against the clearer and client and offset usage based on the monthly advises received from the clearer.

On behalf of their customers, SFE Clearing Participants are requested to fax their application and monthly forms to:

David Chia
Fax: 9256 0566
Finance Department
SFE Corporation Ltd
30 – 32 Grosvenor Street
Sydney 2000

Attention: David Chia
 Fax: 9256 0566
 Finance Department
 SFE Corporation
 30 – 32 Grosvenor Street
 Sydney 2000

d-cypha SFE Australian Electricity Futures and Options Products

**Monthly Lodgement Form for Pre-Paid Exchange Fees
 (To be used by Participants who have Pre-Paid Exchange Fees)**

Name of Firm	
Name of SFE Clearing Participant	
For the Month of:	
Pre-Paid Exchange Fees	
Base Load Electricity Futures (contract sides)	
Base Load Electricity Options (contract sides)	
Peak Period Electricity Futures (contract sides)	
Peak Period Electricity Options (contract sides)	
'Off Peak' transactions (contract sides ¹)	

- Please lodge this form by 10am on the first Business Day of every month. Late forms will be processed by way of a rebate 10 business days later.

Declaration By Participant	
<i>I hereby declare that the above details are true and correct.</i>	
Prepared By	Date
Please Print Full Name	Position
Authorised Signature	Date
Please Print Full Name	Position

Declaration By SFE Clearing Participant	
<i>I hereby declare that the above details are true and correct.</i>	
Authorised Signature	Date
Please Print Full Name	Position

¹ To calculate contract sides for Off-peak exposure please total the number of Base Load and Peak Period contracts traded simultaneously to obtain Off-peak exposure.

Attention: David Chia
 Fax: 9256 0566
 Finance Department
 SFE Corporation
 30 – 32 Grosvenor Street
 Sydney 2000

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**Monthly Lodgement Form for Off-peak Concessions
 (to be used by Participants not utilising the Pre-Paid Exchange Fee Scheme)**

Name of Firm	
Name of SFE Clearing Participant	
For the Month of	
Off-Peak Concessions	
'Off Peak' transactions (contract sides ²)	

- Please lodge this form by 10am on the first Business Day of every month. Late forms will be processed by way of a rebate 10 business days later.

Declaration By Participant	
<i>I hereby declare that the above details are true and correct.</i>	
Prepared By	Date
Please Print Full Name	Position
Authorised Signature	Date
Please Print Full Name	Position

Declaration By SFE Clearing Participant	
<i>I hereby declare that the above details are true and correct.</i>	
Authorised Signature	Date
Please Print Full Name	Position

² To calculate contract sides for Off-peak exposure please total the number of Base Load and Peak Period contracts traded simultaneously to obtain Off-peak exposure.

Attention: David Chia
Fax: 9256 0566
Finance Department
SFE Corporation
30 – 32 Grosvenor Street
Sydney 2000

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Pre-Paid Exchange Fee Scheme Registration Form

Contact: _____
Firm: _____
Email: _____
Phone Number: _____
Fax: _____
SFE Clearing Participant: _____

Scheme	Minimum Entry Cost (GST Excluded)	Subscription Level
Tier 1	\$80,000	
Tier 2	\$50,000	

Authorised By Market Participant	
<i>I hereby declare that the above details are true and correct.</i>	
Prepared By	Date
Please Print Full Name	Position
Authorised By	Date
Please Print Full Name	Position

Authorised By SFE Clearing Participant	
<i>I hereby declare that the above details are true and correct.</i>	
Authorised By	Date
Please Print Full Name	Position

- A tax invoice will be issued on receipt of payment