

SFE NOTICE NO. 123/06

Date of Issue: 13 October 2006

Effective Date: 17 October 2006

ENHANCEMENTS TO BLOCK TRADE REPORTING FOR THE D-CYPHA SFE ELECTRICITY FUTURES & OPTIONS PRODUCTS

The following change to the SFE Determinations relating to the communication of Block Trade Orders will provide the electricity futures and options market with more timely transparency of the market for Block Trades. The Exchange will continue to confirm its acceptance of Block Trades within 2 hours of registration of Block Trades with SFE Clearing Corporation.

SFE Operating Rule 3.4.6 (a) 'Block Trade Communication and Registration' states that:

"where opposing Block Trade Orders have been negotiated, the initiating Participant must advise the Exchange of the agreed terms of the Block Trade Order via the Message Facility, *or via such other means as determined by the Exchange*, within 5 minutes of the trade, or such other time as determined by the Exchange". (italics added for emphasis)

The underlying text below highlights the changes to the SFE Determinations for Block Trades.

SFE Determinations – Rule 3.4 Block Trading

2. Trade Negotiation

As per Rule 3.4.6 Participants to a Block Trade shall communicate the agreed terms of the Block Trade Order to the Exchange via the SYCOM Message Facility within 5 minutes of the trade.

For Block Trades in the d-cypha SFE electricity futures and options market, the message sent to the Exchange by the Participant representing the Seller shall be by way of a Market Broadcast via the Message Facility within 5 minutes of the trade that includes all details of the Block Trade in the following format:

1. Descriptor (e.g. "BLOCK TRADE ORDER", or "Legs")
2. Product Code
3. Volume
4. Price

With a single product or a group of single products, which do not constitute a defined Strip Product, then typically only one message will be required. For example:

BLOCK TRADE ORDER: BNH9 20 @ 65.00

With a defined Strip Product that was Block Traded, then 2 or more messages may be required. For example:

"BLOCK TRADE ORDER: HNZ8 20 @ 40.25. Legs to follow"
"Legs: BNH8 20 @ 52.75, BNM8 20 @ 32.50, BNU8 20 @ 38.00, BNZ8 20 @ 37.80"

Should you have any queries please contact the undersigned on + 02 9256 0664 or acollins@sfe.com.au



Anthony Collins
General Manager, Emerging Markets

SFE Corporation Limited
30 Grosvenor Street
Sydney Australia
+612 9256 0555
www.sfe.com.au
ABN 74 000 299 392