



ICE WTI Crude futures Contract

Available for trading February 3, 2006

ICE West Texas Intermediate Light Sweet Crude Oil futures contract

Background

ICE Futures will introduce the ICE West Texas Intermediate (WTI) Light Sweet Crude Oil futures contract to offer participants the opportunity to trade one of the world's most liquid oil commodities in an electronic marketplace.

The contract not only brings the benefits of electronic trading to a US light sweet crude, but also brings together the world's two most significant oil benchmarks on a single exchange. This in itself offers a number of benefits to participants, including reductions in collateral requirements through the offsetting of margins

Features of the Contract

Price transparency

Users can operate in the knowledge that the prices they see are backed up by firm volume.

Cash settlement

Participants can use the contract in the comfort that any positions left open at expiry will be financially settled, there will be no physical delivery.

Collateral efficiency

Price correlation between Brent crude futures and WTI Light Sweet Crude Oil futures will result in reduced margin requirements.

Contract security

LCH.Clearnet acts as the central counterparty for trades conducted on ICE OTC and ICE Futures. This enables it to guarantee the financial performance of every contract registered with it by its members (the clearing members of the exchanges) up to and including delivery, exercise and/or settlement. LCH.Clearnet has no obligation or contractual relationship with its members' clients who are non-member users of the exchange markets, or non-clearing members of the exchanges.

Contract Specification

Date of launch

February 3, 2006

Trading Hours

	London (local time)	New York (EST)	Chicago (CST)
Open	01:00	20:00	19:00
Close	22:00	17:00	16:00

Unit of trading

One or more lots of 1,000 barrels.

Quotation

The contract price is in US dollars and cents per barrel.

Minimum price fluctuation

One cent per barrel, equivalent to a tick value of \$10.

Maximum daily price fluctuation

There are no limits.

Daily margin

All open contracts are marked-to-market daily

Trading period

Thirteen consecutive months

Position limits

There are no limits to the size of position

Fees

Screen transactions: \$0.70 per lot per side
EFP's, EFS's and Blocks: \$1.20 per lot per side

Delivery Mechanism

Cessation of Trading

Trading shall cease at the close of business on the fourth US business day prior to the 25th calendar day of the month preceding the contract month.

Delivery/settlement basis

The West Texas Intermediate Light Sweet Crude Oil futures contract is cash settled against the prevailing market price for US light sweet crude. It is a price in USD per barrel equal to the penultimate settlement price for WTI crude futures as made public by NYMEX for the month of production per 2005 ISDA Commodity Definitions.

Payment

Payment for contracts takes place through LCH.Clearnet two business days after the cessation of trading.

Exchange of Futures for Physical (EFP) and Exchange of Futures for Swaps (EFS)

EFPs or EFSs may be reported to the Exchange during trading hours and registered by LCH.Clearnet up to one hour after the cessation of trading of the delivery month in which the EFP or EFS is traded. These allow more effective hedging opportunities for market participants with over-the-counter positions.

Law

The contract is governed by English law and includes provisions regarding force majeure, trade emergency and embargoes

Clearing and Regulation

Clearing

LCH.Clearnet guarantees financial performance of all ICE futures contracts registered with it by its clearing Members. All ICE Futures Member companies are either members of LCH.Clearnet, or have a clearing agreement with a Member who is a member of LCH.Clearnet.

Regulation

ICE Futures is regulated in the UK by the Financial Services Authority (FSA) as a recognised investment exchange (RIE) under Part XVIII of the Financial Services and Markets Act 2000 (FSMA). Further, ICE

Futures has secured the relevant regulatory approvals or secured a statement of no objection, or has satisfied itself that it does not require regulatory approvals to allow direct access to the ICE Platform in a number of other overseas jurisdictions, such as US and Singapore. The complete list of jurisdictions can be found at: www.theice.com/regulation.jhtml.

In accordance with the FSMA, all ICE Futures General Participants based in the UK will be authorised and regulated by the FSA. Where General Participants are incorporated overseas, they will be regulated by the relevant regulatory authority in that jurisdiction.

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Contact Details

For questions and/or comments on this contract please contact Oil Markets on:

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