



SFE NOTICE NO.

019/08

Date of Issue: 8th February 2008

Effective Date: 14th February 2008

New Zealand Cash & Debt Option Margin Rates

SFE Clearing Corporation has reviewed the price volatility of all New Zealand Cash & Debt Options and has approved the margin changes as shown in Attachment 1.

The adjustments follow SFECC's ongoing review of New Zealand Cash & Debt Options given current market volatility and price levels. Clearing Risk Operations monitors margin erosion using the existing margin erosion facility and any significant exposures are limited using the intra day margining process.

The revised margin parameters will be effective for open contracts as at close of business on **Thursday 14th February 2008**, impacting on margin calls made on **Friday 15th February 2008**.

Participants are encouraged to advise all relevant clients of this Initial Margin change on a timely basis.

Initial margin rates for all SFE contracts are available on the SFE Website at www.sfe.com.au

Should you have any queries in relation to the above, please contact the Clearing Risk Operations department on 9227-0562 or 9227 0532.

A handwritten signature in black ink, appearing to be 'Nhiem Ngo', written over a horizontal line.

Nhiem Ngo
Risk Analyst



NOTICE CONTINUED

A T T A C H M E N T 1

Price Scanning Range

Contract	Price Scanning Range
30 Day Official Cash Rate Futures	Decrease from \$600 to \$400
90 Day Bank Bill	Decrease from \$500 to \$250
3 Year Government Bond (6% Coupon)	Decrease from \$900 to \$575

Intermonth Charge

Contract	Price Scanning Range
30 Day Official Cash Rate Futures	Decrease from \$240 to \$160
3 Year Government Bond (6% Coupon)	Decrease from \$270 to \$175

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