



## **ICE Tips**

**Middle East Sour Crude Set-Up**

**May 16, 2007**

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## Introduction

ICE Tips provide information on features available on WebICE. This issue presents a description of how to set-up Middle East Sour Crude for trading. For more information on any WebICE feature, please contact your ICE representative or the ICE Helpdesk at **770.738.2101** or the London Helpdesk at **020.7488.5100**. If you have a suggestion for new functionality, please send an email to [newfeatures@theice.com](mailto:newfeatures@theice.com).

## Middle East Sour Crude Contracts

The ICE Middle East Sour Crude Futures Contract will begin trading electronically on Monday, May 21, 2007. The contract will be cash-settled against the Platts Dubai physical cash price assessment. Spreads between Brent, WTI and the Middle East sour crude futures contract will also be available on May 21, 2007. The ICE Middle East Sour Crude futures contract will trade continuously for 22 hours a day - from 1:00 to 23:00 local London time (BST) or from 08:00 through 06:00 local Singapore time (GMT + 8 hours). Daily contract settlement will take place at 19:30 local London time with final settlement upon expiration at 09:30 local London time (BST) (16:30 local Singapore time, GMT + 8 hours).

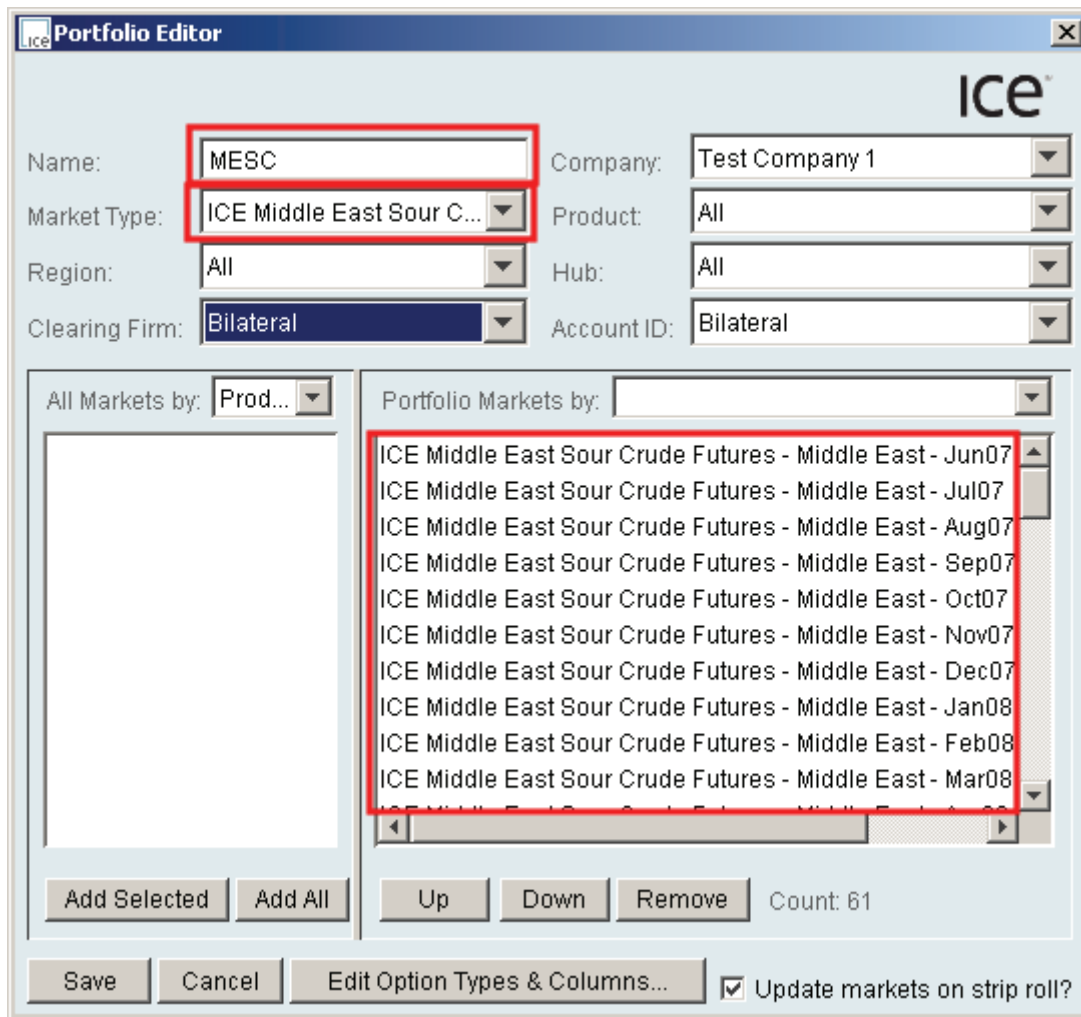
Each crude futures contract is sized at 1,000 barrels, with the contract price quoted in U.S. dollars and cents per barrel. The minimum price fluctuation will be one cent per barrel, equivalent to a tick value of \$10.00. Margin offsets to ICE Brent Crude and ICE WTI Crude will be available. The contract will be offered free of screen trading fees until August 31, 2007. Thereafter, the normal exchange trade fees of \$0.73 per side will be in effect. EFP, EFS and Block trading fees of \$1.23 per lot per side will apply throughout.

## Creating a Middle East Sour Crude Portfolio

If you have permissions for ICE Brent Crude futures contract you will automatically be permissioned for the ICE Middle East Sour Crude Contract on Wednesday May 16, 2007. ICE will create a mini portfolio for traders with Brent permissions called Middle East Crude. The Middle East Crude portfolio will contain the first five monthly Middle East Sour Crude markets as well as the settlement and minute marker markets. ICE will also add the first five spread markets for Brent/MESC and WTI/MESC based on permission to Brent and WTI for each trader. ICE will permission you in anticipation of the Middle East sour crude product launch but, the market will remain closed and no orders will be allowed in this market until May 21, 2007. We encourage you to add additional portfolios for the spread and outright Middle East Sour Crude contracts as necessary. To create your portfolio go to Admin > Manage Portfolios and click on the New Portfolio button on the portfolios window.



The portfolio editor window will then display, enter your portfolio name, select the ICE Middle East Sour Crude Market Type, then add the relevant markets. Once you have the markets added to the right hand pane, click save at the bottom of the portfolio editor window.



ICE will be offering 37 consecutive contract months along with quarters and calendar spreads for the entire length of the curve. ICE will also be offering ICE Brent - ICE Middle East Sour Crude and ICE WTI - ICE Middle East Sour crude spreads. The quote conversion for the spread markets are Brent minus Middle East Sour Crude and WTI minus Middle East Sour Crude. Create portfolios for these spreads by following the directions above.

### Setting Clearing Limits

Middle East Sour Crude products will be available in the Clearing Administration module so the Clearing Administrators can set limits beginning Friday, May 4, 2007. These limits will not go into effect until May 21, 2007 when the markets officially open for trading. Clearing limits for the ICE Brent - ICE Middle East Sour Crude and the ICE WTI - ICE Middle East Sour Crude may also be edited beginning May 4, 2007 in anticipation of the market opening May 21, 2007. The short codes for these three new products within the Clearing Administration module are ICE MEC, Brent-MEC Spr and WTI-MEC Spr.