



Houston Mercantile Exchange

The Houston Mercantile Exchange is an independent and neutral online over the counter commodity exchange for industrial raw materials. Registered participants transact in the natural gas liquids, petrochemicals and commodity plastics markets.

The HMX electronic trading platform performs real-time trade execution, providing an efficient and secure commodity trading system for all participants. Available over the Internet, our platform is globally accessible. HMX also has the knowledgeable real-time commercial support to help generate the liquidity and transparency required to develop an efficient marketplace.

Exchange Operating Structure

Posted bids and offers on the platform are transmitted over the Internet through state of the art encryption technology in real time. All bids and offers are completely anonymous, however, all bids and offers are fully transparent to all participants in the market. Counterparties are revealed to one another only upon satisfactory negotiation or acceptance of transaction terms.

Contracts can be executed in two ways:

- **Bilateral transactions** with a built in credit management matrix individually and securely managed by each participant company. Bilateral transactions typically settle either through physical delivery at the appropriate delivery location agreed or financially in cash based on a published index agreed. The contracts between counterparties to bilateral transactions are typically those contract arrangements already existing between such counterparties.
- **Financially cleared** through the Chicago Mercantile Exchange (CME) ClearPort® OTC clearing system. Cleared transactions are available to participants who have an account with a clearing firm (FCM) and who are also registered with CME ClearPort® to submit cleared trades.

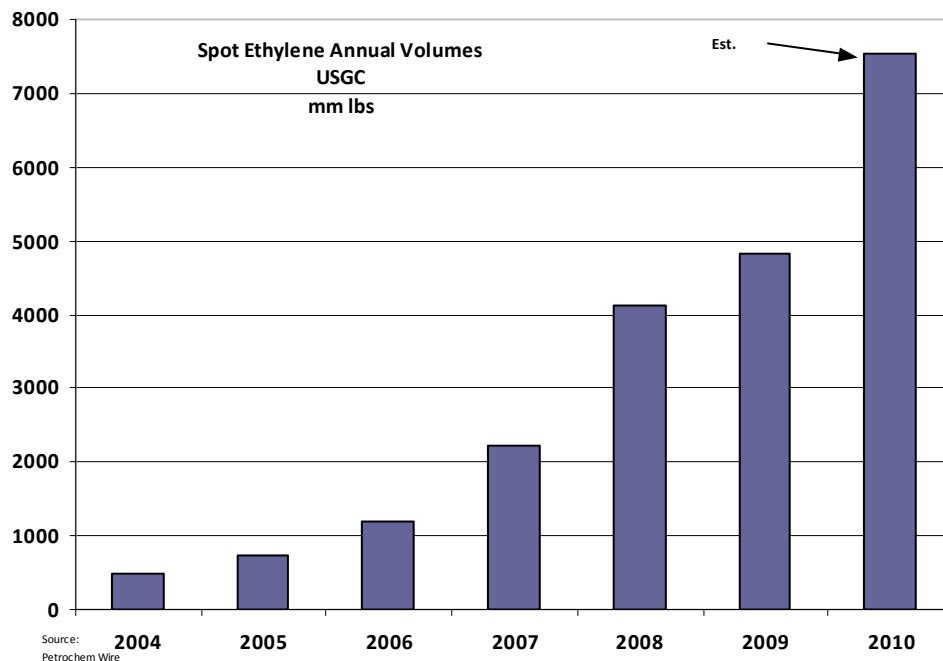
HMX: Products & Markets

Olefins & Commodity Polymers

Participants on the HMX platform are able to transact in olefins and most commodity polymer products for either physical or financial settlement. For financial swaps, the following products and indexes can be used on the HMX platform to post bids/offers in any combination:

Products		Indices
Olefins	Polymers	
Ethylene	HDPE	CME, Petrochem Wire, LME, CMAI, CDI
RGP	LLDPE	
PGP	PP	

The most efficient markets evolve from the development of liquidity at a central trading “hub”. The CME contracts in Ethylene, HDPE and PP were developed using that methodology.



Volume has steadily grown in the physical spot markets for ethylene over the past several years, which prompted the listing of a cleared physical ethylene contract in 2009.

CME will offer a cleared ethylene swap contract based on the PCW index beginning April 26, 2010 and it will be available for trading on HMX. HMX is the primary electronic transaction platform on which industry participants can execute the OTC CME ClearPort® olefins and plastics contracts. With the exception of cleared contracts, HMX can add any combination of product and settlement basis based on participant demand and interest.

Participation

All participants on HMX must execute a standard HMX Platform User Agreement. Participating companies must be Eligible Commercial Entities as defined by the United States Commodity Exchange Act. There are no minimum fees or charges for access to the platform or to post bids or offers; only volume based commission fees for transactions concluded through Houston Mercantile Exchange.

For additional information, please visit www.houstonmerc.com or call Eric Paulsen at 713-405-1161 or Cynthia Wigren at 713-405-1158.