



MFGA Futures Clients,

MF Global Australia Limited (administrators appointed) - international positions

We refer to our previous communications to you in relation to your futures trading account with MF Global Australia Limited (administrators appointed) (**MFGA**).

We provide the following further update in respect of international positions.

1. International positions - instructions received

We received a large volume of instructions yesterday to close out or transfer positions on overseas exchanges. These orders were passed on to MFGA's affiliates in the relevant overseas jurisdictions with a view to having them effected by overseas brokers, clearing participants, exchanges and/or clearing houses.

1.1 US positions

We have been informed by a representative of the trustee of MF Global Inc. that MFGA's relevant US affiliates have had their participation status revoked and are therefore no longer able to close out or transfer positions.

We understand that the trustee of MF Global Inc. has obtained a court order under which all open positions will be transferred to one or more other trading or clearing participants. Once this has occurred, instructions should be able to be passed on to those new clearing members to be effected.

However, as part of this process, some positions may be compulsorily closed out, either because they are treated as "house" positions at the relevant clearing houses, or because an alternate clearing house cannot be found.

The timing of this process is beyond the control of MFGA. We will provide further updates as the position becomes clearer.

1.2 Other international positions

In respect of other international positions, we currently understand that a substantial number of requests for transfers have been processed, although we are awaiting confirmation of this.

We also currently understand that very few, if any, instructions to close out have been executed, but we are again awaiting confirmation of this.

We are still in the process of reconciling the large number of instructions received and the extent to which they were able to be processed. Each overseas exchange has its own rules and procedures and as noted previously, in many cases the relevant offshore broker or clearing participant is a member of the MF Global group of companies and which have entered into insolvency procedures. These issues have complicated the process.

As noted previously, neither MFGA nor its administrators accept any responsibility for any delay or failure by any third party in relation to the execution, delay or failure in the execution of your instructions including, without limitation, any executing broker, clearing participant, settlement



participant, external administrators, exchanges or clearing house.

As soon as we have further information we will provide a further update.

2. International positions - instructions not received

If you have not yet provided MFGA with instructions to transfer or close positions on overseas exchanges acted upon by MFGA today on the basis set out in our earlier communication, you must send us instructions by **5pm today** (Sydney time).

As noted in our earlier communication, MFGA will endeavour to arrange for the execution of such instructions through the relevant offshore broker or clearing participant at the relevant exchange.

If you wish to give MFGA instructions in relation to any open futures positions you have through MFGA, please send or confirm your instructions by email to trade@mfglobal.com.au.

Any instruction to MFGA to arrange for the transfer of positions to another clearing participant should be accompanied with full details of the positions and the other clearing participant, so that such instructions can be communicated to the relevant offshore participant or administrator of that participant. You may also be required to re-post margin with the new clearing participant, as existing margin may not be able to be transferred.

Neither MFGA nor the administrators warrant, undertake or represent in any way that MFGA will be able to give effect to your instructions, or that the administrators can take any steps to perform any obligations of MFGA in connection with your futures trading account with MFGA.

Neither MFGA nor its administrators accept any responsibility for any delay or failure by any third party in relation to the execution, delay or failure in the execution of your instructions including, without limitation, any executing broker, clearing participant, settlement participant, external administrators, exchanges or clearing house.

Neither MFGA nor the administrators warrant, undertake or represent in any way that any funds realised through the close out of any positions will in fact be received by MFGA, or when such funds might be received (if at all). The flow of funds to MFGA may be affected by insolvency or other procedures in offshore jurisdictions or in Australia.

Before the administrators of MFGA act on any instructions, the administrators may require as a condition of MFGA taking any steps to give effect to those instructions, clients to agree to separate conditions.

Christopher Campbell
Joint administrator
MF Global Australia Limited (administrators appointed)