

DME 2011 – 1st Quarter Update

The Dubai Mercantile Exchange (DME) is pleased to share the first quarter update for 2011 with its industry partners and stakeholders. The purpose of this update is to highlight key developments related to the DME, specifically in the flagship DME Oman Crude Oil Futures Contract (DME Oman), the most transparent benchmark for East of Suez crude oil markets.

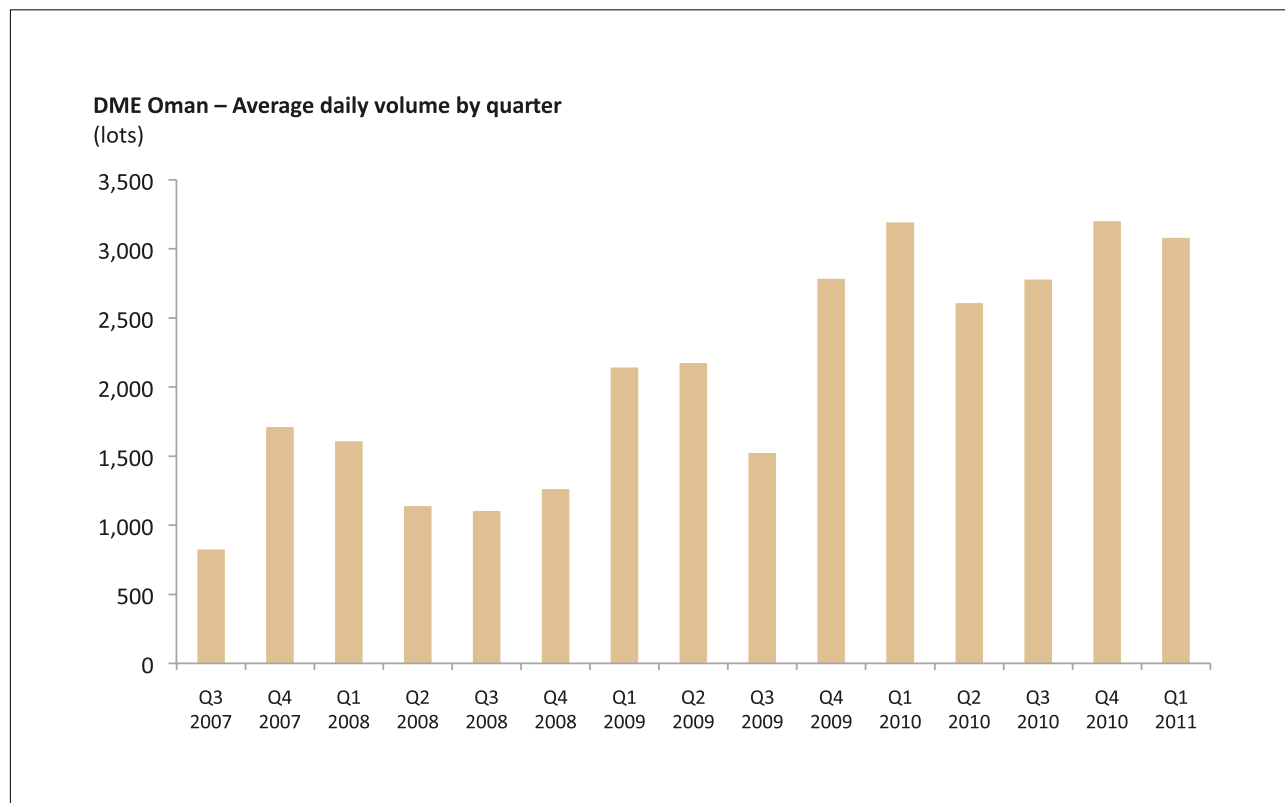
The widespread industry support and acceptance we continue to receive has been a critical factor in our growth. As we share the first 2011 quarterly update with our members and customers, we encourage you to share your thoughts and feedback with us.

Two Billion Barrels Traded Since Launch

The first quarter of 2011 saw the DME achieve an important trading milestone. On 25 March 2011, the DME traded more than two million contracts since the launch of the exchange in June 2007. This remarkable achievement, the equivalent of two billion barrels of crude oil traded, represents the effectiveness of the DME Oman as the most appropriate pricing benchmark for East of Suez crude oil markets and the considerable industry support for the contract.

Sustained liquidity and organic growth continue to characterize the DME's development trajectory in 2011. Average daily volumes during Q1 2011 reached 3,000 contracts and a new trading record was achieved in January 2011 with average daily volumes of 3,570 contracts (equivalent to 3.5 million barrels of oil per day), the highest since the launch of the exchange. This steady performance of the contract builds on the 35% year-on-year increase in trading levels reported for 2010.

Despite volatile markets since the start of 2011, Q1 volumes remained robust averaging 3,000 lots per day



Enhanced Risk Management Products

In response to industry and customer demand, six new DME-Oman linked contracts were successfully launched by the CME Group in December 2010. Two additional contracts - the DME Oman Crude Oil vs. Dubai (Platts) Swap Futures Contract and the ICE Brent (Singapore Marker) vs. DME Oman Crude Oil Swap Futures Contract - cash settled and building on the DME-Oman linked suite, were launched by CME Group in February 2011. The new contracts are offered by the CME Group to provide enhanced risk management options to customers based on the prices of the DME Oman crude oil futures contract.

Enhanced Risk Management Products

The eight futures contracts that are available for clearing on CME ClearPort are:

- DME Oman Crude Oil Swap Futures - NYMEX listed contract (Chapter 124)
- DME Oman Crude Oil BALMO Swap Futures - NYMEX listed contract (Chapter 125)
- ICE Brent (Singapore Marker) vs. DME Oman Crude Oil Swap Futures - NYMEX listed contract (Chapter 123)
- ICE Brent vs. DME Oman Crude Oil Swap Futures - NYMEX listed contract (Chapter 126)
- DME Oman Crude Oil Average Price Option - NYMEX listed contract (Chapter 131)
- DME Oman Crude Oil vs. Dubai (Platts) Swap Futures - NYMEX listed contract (Chapter 340)
- Singapore MOGAS 92 Unleaded (Platts) vs. DME Oman Crude Oil Swap Futures - NYMEX listed contract (Chapter 127)
- Singapore Gasoil (Platts) vs. DME Oman Crude Oil Swap Futures - NYMEX listed contract (Chapter 128)

In offering greater options to its customers in the Asia Pacific energy markets, the CME Group recently announced that the DME-Oman linked contracts will be available for clearing on CME Clearing Europe, in addition to being available for clearing through CME ClearPort. These contracts are listed by and subject to the rules of NYMEX.

Debate and dialogue: Growing need for market based price discovery

In seeking to contribute through dialogue and debate to the future of its industry, the DME has participated in a number of strategic forums this quarter, including the U.A.E. Energy Forum in Abu Dhabi, Doha Energy Forum in Qatar and more recently the Dubai International Financial Centre (DIFC) Workshop on Oil, Trade and Finance, in Dubai.

Speaking at the DIFC workshop and responding to the evolving nature of energy trading in the East of Suez crude oil markets, the DME's Chief Executive Officer Thomas Leaver highlighted the critical role of the DME as a marketplace through which buyers and sellers can achieve true price discovery. At a time of global volatility in oil markets and the pressing need for transparency and risk management, the growing anomaly in price discovery between regulated exchanges such as the DME and price assessment agencies where price setting takes place on unregulated platforms through journalistic assessments is thrown into sharp relief.

Speaking at the workshop, Mr. Leaver stated, "The evolution of the Middle East crude market means that an assessment based approach can no longer meet the needs for price discovery and efficient risk management. The DME Oman contract provides the most appropriate pricing and risk management solution for Middle Eastern and Asian stakeholders and one that is being relied upon even more frequently in these volatile times".

[Click here to read more on the importance of market based price discovery in helping producers and consumers achieve true value.](#)

Contacting The DME

For more information or to provide feedback, please contact:

Matthew Thompson

Chief Strategy and Business Development Officer
matthew.thompson@dubaimerc.com

Anais Martin

Customer Relations Manager
anais.martin@dubaimerc.com

The DME is regulated by the Dubai Financial Services Authority (DFSA). All trades executed on the DME are cleared through and guaranteed by NYMEX (a member of CME Group) which is regulated by the U.S. Commodity Futures Trading Commission (CFTC) and is a Recognized Body by the DFSA.