

Margin review freight products

As part of our monthly margin parameter review, NOS has made adjustments to the dry bulk margin curves and tanker time spread credit parameters.

Adjusted margin curves

Margin curves have been adjusted to reflect the recent, observed volatility for dry bulk routes. The result of the review is reduced margins for all the dry routes listed below.

The following dry bulk contracts are affected by the margin adjustments:

- CS4TC
- PM4TC
- SM6TC
- C4

The new margin curves are shown in Appendix 1 to this newsletter.

The margin adjustments are also applied to the freight options, as all option contracts use the margin curve of the relevant underlying futures.

Adjusted Time Spread Credit

NOS increase the Time Spread Credit offsets given for spread positions in TD3 and TD5 covering monthly and quarterly 2008 contracts. In general, the number of credit steps given is increased by one. As an example, this means that the initial margin for a spread position in the TD3/TD5 contract will be reduced by approximately 25%.

The changes will come into effect from end of business **Monday 5th May 2008** for margins to be posted by **15.00 CET Tuesday 6th May**.

Any questions can be directed to NOS Clearing ASA:

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Appendix 1 – Margin curves



