

# Natural Gas Basis Switch Markets



Beginning in May 2009, four NYMEX cleared Basis Swap contracts will change the index on which their settlement is based. The four affected contracts are :

- Chicago Basis Swap (Clearport symbol NB)
- Malin Basis Swap (PB)
- PG&E Citygate Basis Swap (PC)
- Socal Basis Swap (NS)

Currently, these Swaps all settle against NGI prices. Beginning in May, they will settle against IFERC prices. Corresponding Swap contracts clearing ICE will continue to settle against NGI.

Traders who wish to have positions which continue to settle against NGI will have to move their open NYMEX positions to ICE.

## How ICAP Energy can help

Basis Switches can be traded on ICAP's industry leading hybrid electronic market. Basis traders can simultaneously buy NYMEX and sell ICE (or vice versa) with no legging risk, and with all the benefits of straight through processing and ConfirmHub confirmations.

| Flag | Description               | BidAmt | Bid   | Offer | OfraMt | LTP | Flag | Description                   | Bid   |
|------|---------------------------|--------|-------|-------|--------|-----|------|-------------------------------|-------|
|      | <b>Basis Switch West</b>  |        |       |       |        |     |      |                               |       |
|      | AEEO Switch May09         | 5000   | 0.25  | 0.5   | 10000  |     |      | SOCAL Switch Apr09>Jun09      | 5000  |
|      | AEEO Switch Sep09         | 5000   | 0.25  | 0.5   | 10000  |     |      | SOCAL Switch Apr09>Oct09      | 7500  |
|      | AEEO Switch Oct09         | 12500  | 0.25  | 0.5   | 15000  |     |      | SOCAL Switch Jul09>Sep09      | 5000  |
|      | AEEO Switch May09>Oct09   | 15000  | 0.25  | 0.5   | 20000  |     |      | SOCAL Switch Nov09>Mar 10     | 15000 |
|      | AEEO Switch Nov09>Mar 10  | 5000   | 0     | 0.25  | 10000  |     |      | SOCAL Switch Jan10>Mar10      | 10000 |
|      | AEEO Switch Nov10>Mar 11  | 10000  | 0     | 0.5   | 5000   |     |      | SOCAL Switch Apr 10>Oct10     | 12500 |
|      | MALIN Switch Feb09        | 10000  | -0.5  | 0.25  | 10000  |     |      | <b>Basis Switch East</b>      |       |
|      | MALIN Switch Mar09        | 5000   | -0.5  | 0.25  | 10000  |     |      | CHIC Switch Feb09             | 5000  |
|      | MALIN Switch Aug09        | 12500  | 0.25  | 0.5   | 17500  |     |      | CHIC Switch Mar09             | 10000 |
|      | MALIN Switch Sep09        | 15000  | 0.25  | 0.5   | 22500  |     |      | CHIC Switch Nov09             | 5000  |
|      | MALIN Switch Oct09        | 7500   | 0.25  | 0.5   | 10000  |     |      | CHIC Switch Dec09             | 5000  |
|      | MALIN Switch Apr09>Oct09  | 10000  | 0     | 0.5   | 10000  |     |      | CHIC Switch Apr09>Oct09       | 7500  |
|      | MALIN Switch Nov09>Mar 10 | 5000   | 0     | 0.25  | 10000  |     |      | CHIC Switch May09>Oct09       | 5000  |
|      | MALIN Switch Apr 10>Oct10 | 2500   | 0.25  | 0.5   | 5000   |     |      | CHIC Switch Nov09>Mar 10      | 12500 |
|      | MALIN Switch Nov10>Mar 11 | 10000  | 0     | 0.25  | 7500   |     |      | CHIC Switch Apr 10>Oct10      | 5000  |
|      | SOCAL Switch Feb09        | 5000   | 0     | 0.25  | 10000  |     |      | CHIC Switch Apr 11>Oct11      | 5000  |
|      | SOCAL Switch Mar09        | 10000  | 0     | 0.25  | 10000  |     |      | CHIC Switch Nov11>Mar12       | 15000 |
|      | SOCAL Switch Apr09        | 10000  | -0.25 | 0.25  | 10000  |     |      | CHIC Switch Cal11             | 10000 |
|      | SOCAL Switch May09        | 7500   | 0     | 0.25  | 7500   |     |      | CHIC Switch Cal12             | 7500  |
|      | SOCAL Switch Jun09        | 2500   | 0     | 0.5   | 10000  |     |      | <b>Basis Switch Midc</b>      |       |
|      | SOCAL Switch Jul09        | 2500   | 0.25  | 0.5   | 2500   |     |      | NG NmX vs Ice                 |       |
|      | SOCAL Switch Aug09        | 10000  | 0     | 0.25  | 10000  |     |      | WTI Nymex vs Ice              |       |
|      | SOCAL Switch Sep09        | 7500   | -0.25 | 0.25  | 7500   |     |      | CLG9 vs ENG9 Feb09            | 200   |
|      | SOCAL Switch Feb09>Mar09  | 10000  | 0     | 0.25  | 10000  |     |      | WTI NmX vs Ice Feb09 vs Mar09 |       |
|      |                           |        |       |       |        |     |      | EFS Comp                      |       |



Our electronic platform permits traders to execute for themselves, or an ICAP voice broker can execute on a trader's behalf. ICAP's electronic platform also provides markets for NG EFS, NYMEX versus ICE NG Basis Switches on 24 locations, NYMEX versus ICE WTI Switches and PJM Options.

To find out more about how ICAP Energy can help your business, please contact your ICAP voice broker, or contact our ICAP Electronic Trading Team at:

Contact: Jennifer Kramer  
Phone: 502 327 1405  
Email: etc@us.icapenergy.com

Contact: Jim Marvin  
Phone: 212-815-6741  
Email: etc@us.icapenergy.com

**ConfirmHub**  
Proud member of ConfirmHub

This communication and all information (including, but not limited to, market prices/levels and data) contained therein (the "Information") is for informational purposes only, is confidential, may be legally privileged and is the intellectual property of ICAP Energy LLC, its parent company and their affiliates (the "Company") or third parties. No confidentiality or privilege is waived or lost by any mistransmission. The Information is not, and should not be construed as, an offer, bid or solicitation in relation to any financial instrument or as an official confirmation of any transaction. The Information is not warranted, including, but not limited, as to completeness, timeliness or accuracy and is subject to change without notice. The Company assumes no liability for use or misuse of the Information. All representations and warranties are expressly disclaimed. The Information does not necessarily reflect the views of the Company. Access to the Information by anyone else other than the recipient is unauthorized and any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it is prohibited. If you receive this message in error, please immediately delete it and all copies of it from your system, destroy any hard copies of it and notify the sender.