

ISDA® BEST PRACTICE STATEMENT
23 December 2008

The International Swaps and Derivatives Association (“ISDA”) is issuing this statement of best practices with respect to Platts’ proposal to discontinue the 0.2% sulphur gasoil barge assessments, basis ARA and Northwest European (the “0.2% NWE”) and Mediterranean FOB and CIF cargo assessments (the “0.2% MED”). In February 2008, Platts issued a Subscriber Note proposing to discontinue, effective 2 January 2009, the 0.2% NWE and 0.2% MED assessments, and the 0.2% FOB barge assessment, as well as the Diesel 50ppm CIF NWE assessment. Platts also advised that the existing 0.1% sulphur FOB barge assessments and the Northwest European and Mediterranean FOB and CIF cargo assessments (the “0.1% Assessments”) will continue to be published.

Members of the ISDA Commodity Operations Working Group met by teleconference on several occasions to discuss how to treat this discontinuation for purposes of transactions that include any Commodity Reference Prices referencing the above product. Members agreed, with respect to the 0.2% NWE assessments, to replace them with the 0.1% Assessments minus a differential calculated by averaging the six separate monthly averages between the prices published for the relevant 0.2% NWE assessments and the relevant 0.1% Assessments during the period running between 1 October 2007 and 31 March 2008, both inclusive. ISDA has been advised that this proposed calculation produces a differential of 18.0725 in regard to CIF NWE Cargo and 10.0717 in regard to NWE FOB ROT. Additionally, it is suggested that firms round each of these differentials to 2 dp. Following a proposal from ISDA Members, Platts agreed to continue the publication of 0.2% MED assessments until the end of 2009.

The same proposal can apply to the 0.2% FOB barge assessment (code POAAG00) and the 0.1% FOB barge assessments (code AAYWT00), as well as the Diesel 50ppm CIF NWE (code AA0QB00) and Diesel 10ppm CIF NWE (code AAKWP00) assessments.

It is suggested that firms replace the Diesel 50ppm CIF NWE (code AA0QB00) price with Diesel 10ppm CIF NWE (code AAKWP00) minus a differential calculated by averaging the six separate monthly averages between the prices published for Diesel 50ppm CIF NWE and Diesel 10ppm CIF NWE from 1 October 2007 to 31 March 2008, inclusive.

The statement below can be applied to all financially settled derivative transactions (even if entered into on or before the date on which the Platts index is discontinued, whether documented under ISDA Master Agreements or under other (non-ISDA) contractual arrangements (each an “Affected Transaction”). Parties are not obliged to follow the statement set forth below and may choose alternate means of treating Affected Transactions.

Statement

In any Affected Transaction where the documentation of such transaction is silent as to how the discontinuation of the 0.2% NWE assessments are to be treated, references to the 0.2% NWE assessments shall, for the purpose of the remainder/remaining term of each Affected Transaction, be equal to the 0.1% Assessments minus a differential calculated by averaging the six separate monthly averages between the prices published for the relevant 0.2% NWE assessments and the relevant 0.1% Assessments during the period running between 1 October 2007 and 31 March 2008, both inclusive.

In any Affected Transaction where the documentation of such transaction is silent as to how the discontinuation of the Diesel 50ppm CIF NWE assessments are to be treated, references to the Diesel 50ppm CIF NWE assessments shall, for the purpose of the remainder/remaining term of each Affected Transaction, be equal to the Diesel 10ppm CIF NWE Assessments minus a differential calculated by averaging the six separate monthly averages between the prices published for the Diesel 50ppm CIF NWE assessments and the relevant Diesel 10ppm CIF NWE Assessments during the period running between 1 October 2007 and 31 March 2008, both inclusive.

All capitalized terms used in this statement and not defined herein shall have the meanings set forth in the 2005 ISDA Commodity Definitions or the 1993 ISDA Commodity Derivatives Definitions (and the 2000 Supplement thereto), as may be appropriate.