SFE CORPORATION LIMITED

Bell
COMMODITIES

Medium and Long-Term Interest Rates

SFE's 3 Year and 10 Year Australian Treasury Bond Futures contracts are the benchmark indicators for medium to long term interest rates in Australia. Financial quarter month options on futures, one-session options and serial options are also listed.

Products Available	Futures	Options on Futures	One-Session Options* on Futures
3 Year Australian Treasury Bonds	March, June, September, December cycle up to two quarter months ahead	Put and call options listed on futures contracts up to two quarter months ahead	Intra-Day Options and Overnight Options are available
10 Year Australian Treasury Bonds		Serial options† are listed in non-financial quarter month with two serial option months listed at all times	Put and call options listed on futures contracts for the nearest quarter month ahead

Please refer to the SFE website www.sfe.com.au for complete contract specifications.

* One-Session Options: Intra-Day Options and Overnight Options valid only for the duration of the SYCOM® session on which they are traded. Refer to One-Session Options brochure for more information.

† Serial Options: Those option contracts which do not expire in the same calendar month as the underlying futures contract.

Key Features and Benefits

- Approved for trading by the US Commodities Futures Trading Commission (CFTC) and UK Financial Services Authority (FSA).
- The 3 Year Treasury Bond Futures contract is ranked among the top ten debt market futures contracts in the world by turnover
- SFE interest rate products are liquid contracts

  – Average daily 3 Year Treasury Bond Futures volume of approximately 62,000 for 2001 and open interest of 233,716 for month end December 2001

  – Average daily 10 Year Treasury Bond Futures volume of approximately 20,000 for 2001 and open interest of 117,424 for month end December 2001
- The 3 and 10 Year Treasury Bond Futures contracts have a face value of AUD100,000 and a coupon rate of 6%
- The 3 and 10 Year Treasury Bond Futures contracts are cash settled against a basket of Commonwealth Government Bonds
- 3 Year Treasury Bond Futures prices are quoted in multiples of 100 minus 0.01 per cent. The minimum fluctuation of 0.01 per cent equals approximately A$28, varying with the level of interest rates
- 10 Year Treasury Bond Futures prices are quoted in multiples of 100 minus 0.005 per cent. The minimum fluctuation of 0.005 per cent equals approximately A$40, varying with the level of interest rates
- An efficient way to gain exposure to the Australian debt markets. Ideal for short-term trading, long-term trend following, and hedging of medium to long-term AUD fixed interest securities and interest rate swaps

- Intra-Day Options and Overnight Options listed on the 3 and 10 Year Treasury Bond Futures provides market users with a flexible and cost effective means of managing short term exposure. These One-Session Options also give traders and professional option market makers an additional tool with which to gain leveraged market exposure
- Trade 3 Year and 10 Year Treasury Bond Futures and Options via SFE's electronic trading system or SFE's 'off market' Exchange for Physical facility
- Market integrity is maintained through sound marketplace regulation and the certainty of contract fulfilment.

Ways to Trade 3 Year and 10 Year Australian Treasury Bond Contracts

ON MARKET

SYCOM® is SFE's fully electronic trading platform with 24-hour capability. This platform is the basis for the majority of transactions. A number of Independent Software Vendors and third parties are able to interface with SYCOM®, enabling customers to use the order routing system of their choice.

OFF MARKET

Exchange for Physical (EFP) – Enables customers to take advantage of futures market liquidity in order to gain or lose exposure in the physical market. 3 Year and 10 Year Treasury Bond Futures EFPs are approved on the basis of the notional value of the separate physical and futures legs being equal. EFPs can therefore be used as follows:

Any Treasury Bond futures contract can be offset against medium to long dated securities including government bonds, corporate bonds and swaps. For instance 3 Year Treasury Bond Futures may be offset against a corporate bond. Consequently, counterparties are not limited to exchanging the physical underlying asset with the corresponding futures contract but rather are able to trade a variety of medium and long dated OTC products.

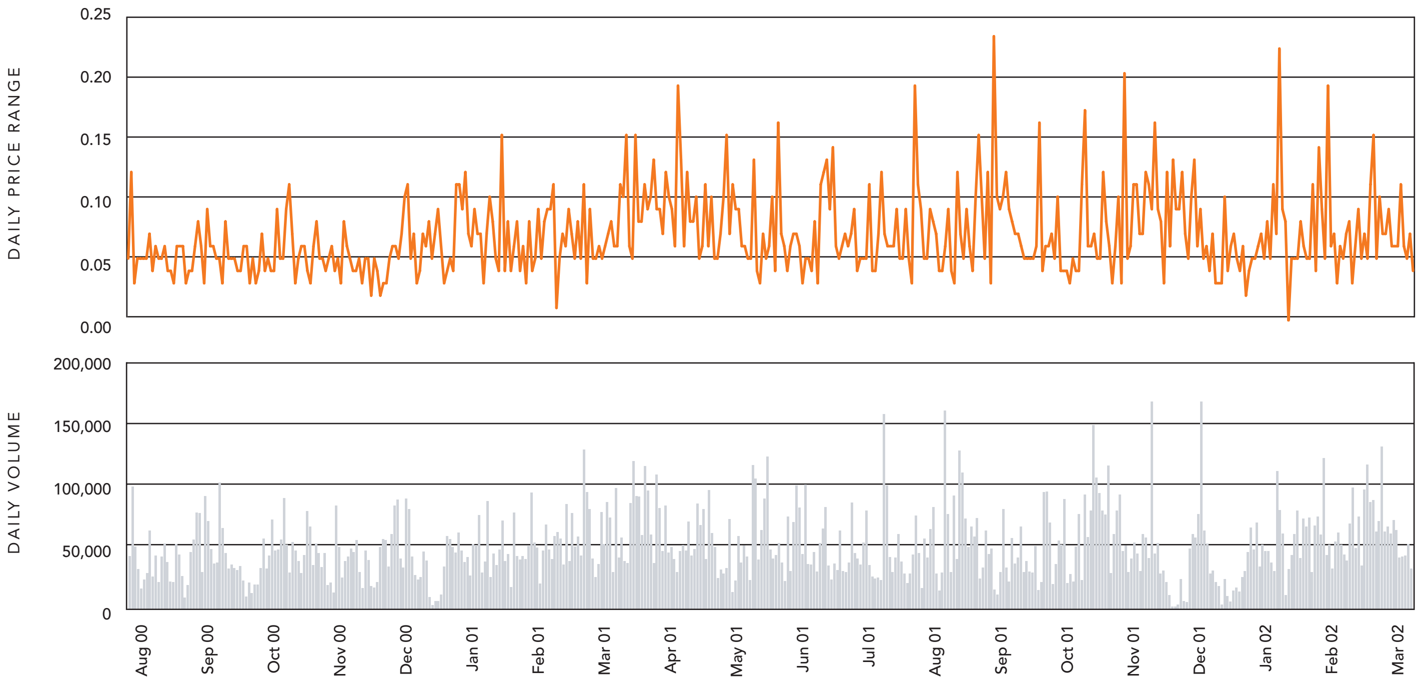
Market Data

PRICE AND VOLUME FOR 3 YEAR AUSTRALIAN TREASURY BOND FUTURES

As a rule, the 3 Year Treasury Bond contract has a daily trading range that fluctuates between 0.03 and 0.07 points. The strong liquidity that is characteristic of the 3 Year Treasury Bond contracts is evident on days when large intra-day price movements occur.

3 YEAR TREASURY BOND SPOT MONTH FUTURES

Daily Price Range and Volume *(Data Source: SFE Corporation Limited)*

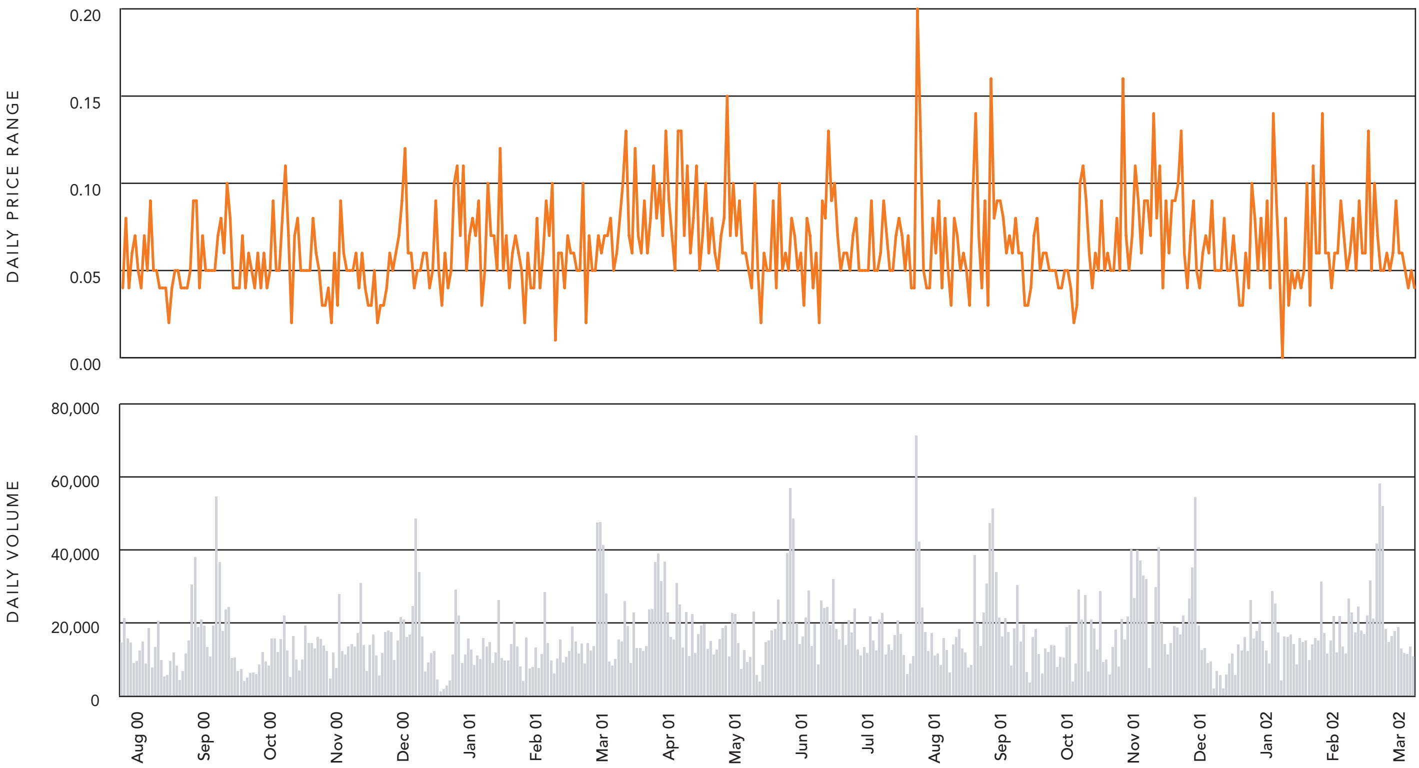


PRICE AND VOLUME FOR 10 YEAR AUSTRALIAN TREASURY BOND FUTURES

The 10 Year Treasury Bond contract has a trading range that fluctuates between 0.04 and 0.10 points on an average day. The strong liquidity that is characteristic of the 10 Year Treasury Bond contracts is evident on days when large intra-day price movements occur.

10 YEAR TREASURY BOND SPOT MONTH FUTURES

Daily Price Range and Volume *(Data Source: SFE Corporation Limited)*

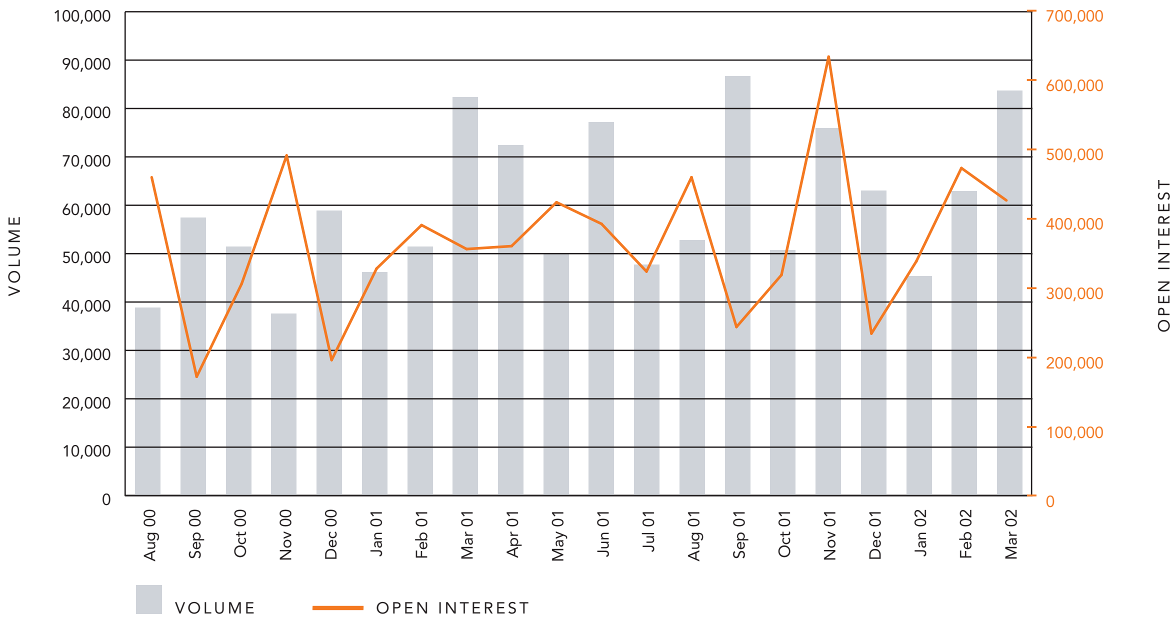


AVERAGE DAILY VOLUME AND OPEN INTEREST FOR 3 YEAR AUSTRALIAN TREASURY BOND FUTURES

The 3 Year Treasury Bond Futures contract continues to show strong volume growth. Growing levels of corporate/asset backed issuance in short/medium term assets has led to stronger volumes in this contract.

3 YEAR TREASURY BOND CONTRACT

Average Daily Volume vs Month End Open Interest *(Data Source: SFE Corporation Limited)*

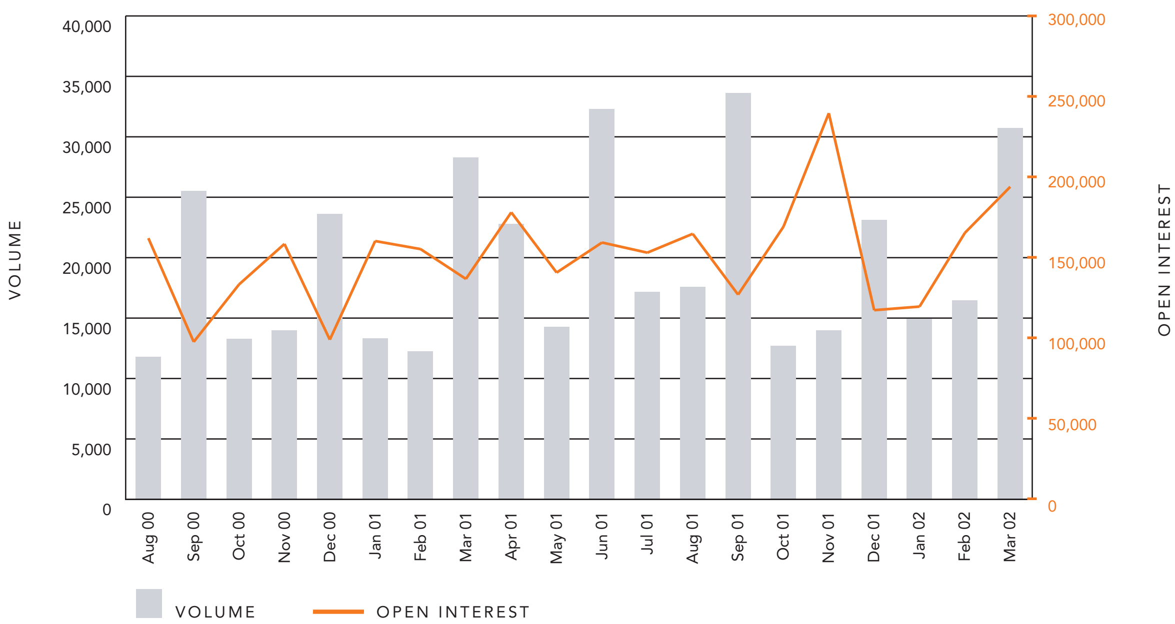


AVERAGE DAILY VOLUME AND OPEN INTEREST FOR 10 YEAR AUSTRALIAN TREASURY BOND FUTURES

Volume in the 10 Year Treasury Bond Futures has grown steadily over the last few months. Current trends show a strong correlation between trading activity in the futures and cash market.

10 YEAR TREASURY BOND CONTRACT

Average Daily Volume vs Month End Open Interest *(Data Source: SFE Corporation Limited)*



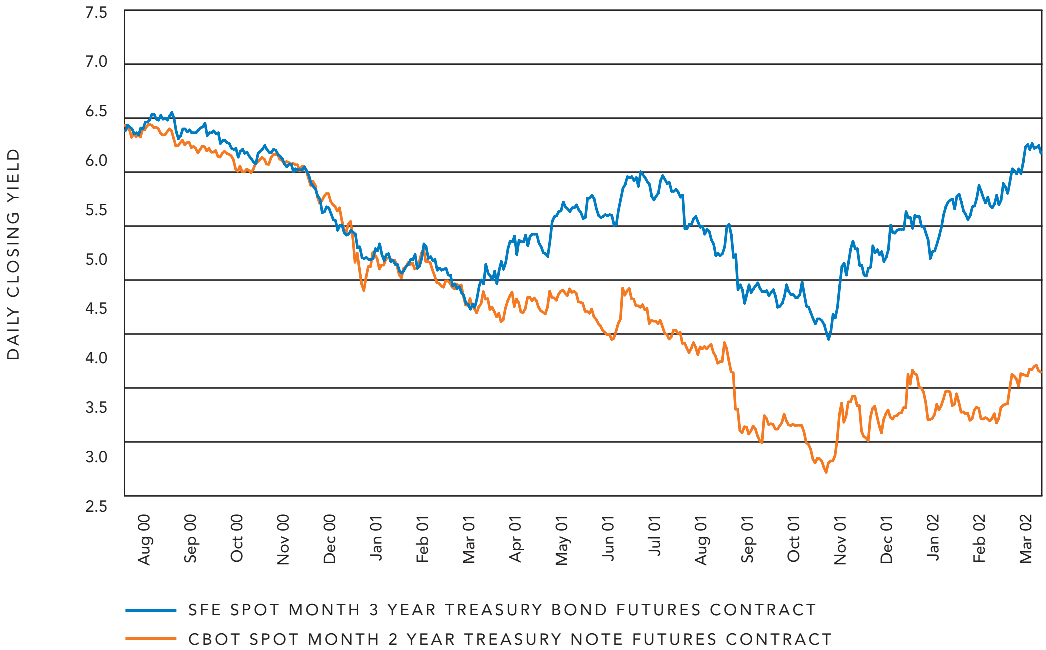
SPREADS

Trends in the spreads between SFE's 3 and 10 Year Treasury Bond Futures and US debt futures shows medium to long term trading opportunities.

YIELD COMPARISON

SFE 3 Year Treasury Bond Futures vs CBOT 2 Year Treasury Note Futures

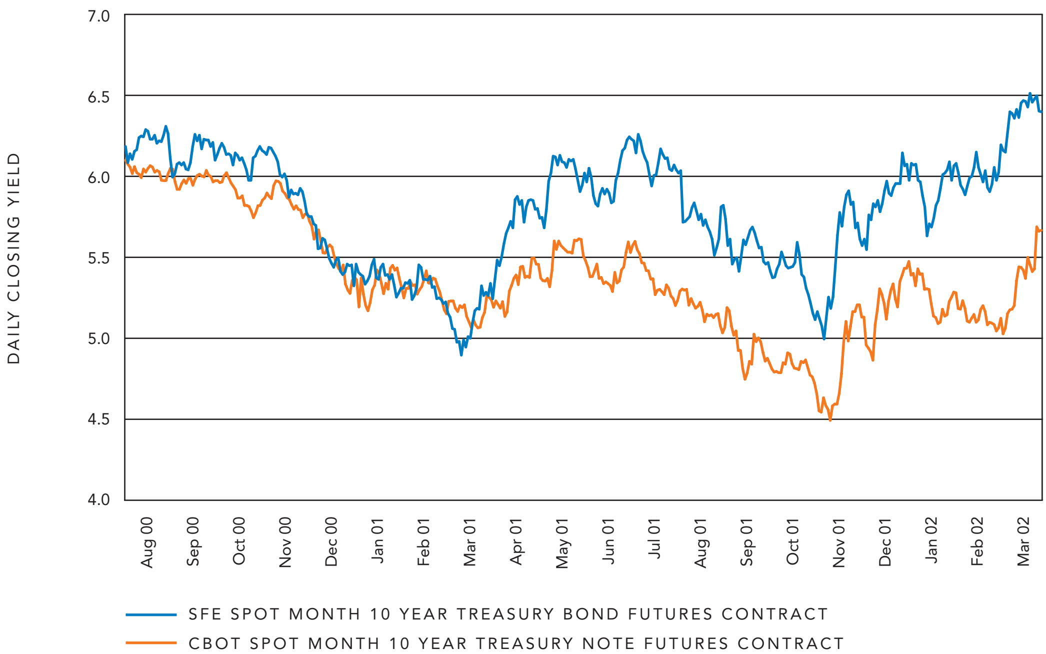
(Data Source: SFE Corporation Limited and Bloomberg LP)



YIELD COMPARISON

SFE 10 Year Treasury Bond Futures vs CBOT 10 Year Treasury Note Futures

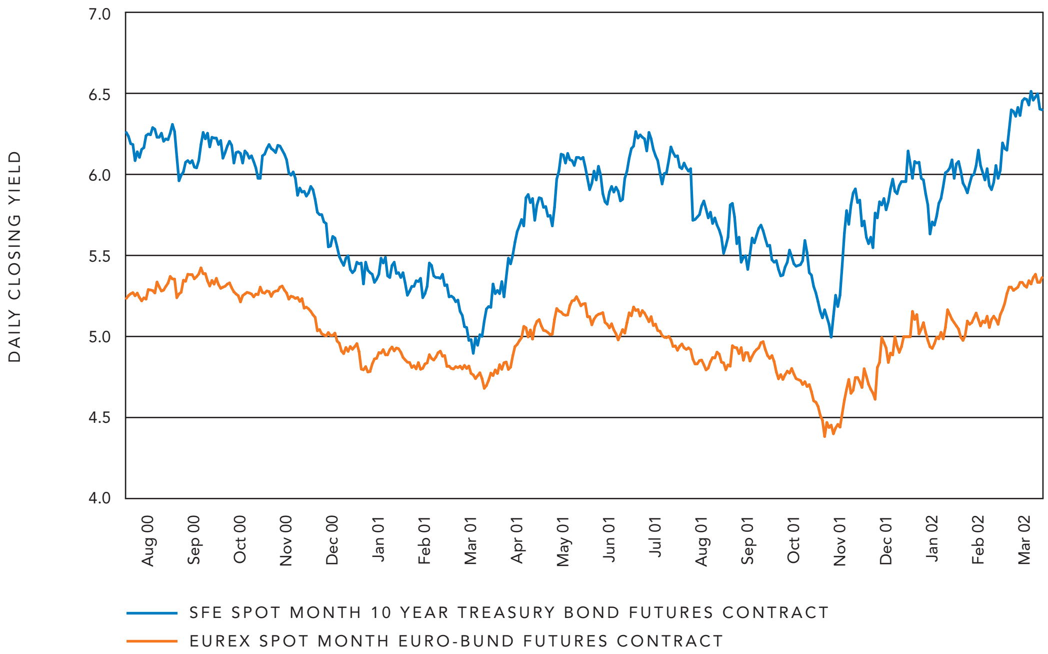
(Data Source: SFE Corporation Limited and Bloomberg LP)



YIELD COMPARISON

SFE 10 Year Treasury Bond Futures vs Eurex Euro-BUND Futures

(Data Source: SFE Corporation Limited and Bloomberg LP)



ABOUT BELL COMMODITIES

Bell Commodities is a long established futures broker in Australia. We provide clients with:

- Australian and international futures and option execution services
- Expertise in formulating hedging programmes
- 24 hour access to the futures and bullion markets around the world, as well as to the margined foreign exchange market.

Bell Commodities is dedicated to serving the needs of its customers and providing a high level of specialised and personal service.

ABOUT SFE

SFE Corporation Limited (SFE) and its subsidiary companies, Sydney Futures Exchange, New Zealand Futures and Options Exchange, SFE Clearing Corporation and Austraclear, provide exchange-traded and over-the-counter (OTC) financial services for institutions globally. During 2001, on average more than 141,000 futures and options contract were traded each day, with an annual turnover of nearly 37 million contracts, positioning SFE as a significant derivatives exchange in the Asian region.

SFE is a public company whose shareholders include many of Australia's and the world's leading banks, brokers and other financial institutions.

FOR FURTHER INFORMATION

For further information please call Bell Commodities on 1800 805 906.

Alternatively, visit www.bellcommodities.com.au or www.sfe.com.au

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