Chapter 128
Oman Crude Oil (DME) Average Price Option

12801. Description
12801.1 The Oman Crude Oil (DME) Average Price Option is a financially settled option referencing the Oman Crude Oil (DME) Calendar Swap contract (CME Clearing Europe commodity code: EDOO). It is an Asian Style average price option which is financially settled on exercise, and may be exercised on its expiration day only.
12801.2 The CME Clearing Europe commodity code shall be EDOA.

12802. Contract Size
12802.1 The contract size shall be 1,000 barrels.

12803. Contract Months
12803.1 Oman Crude Oil (DME) Average Price Options shall be available for 36 consecutive calendar months.

12804. Prices
12804.1 Prices shall be quoted in U.S. dollars and cents per barrel.
12804.2 The minimum price fluctuation shall be $0.001 per barrel.
12804.3 There shall be no maximum price fluctuation.
12804.4 A cabinet trade may occur at the price of $.001 per barrel or $1.00 per contract.

12805. Daily Settlement Prices
12805.1 The Clearing House shall establish settlement prices in respect of open positions for the purposes of position valuation and variation margin calculation, as described in the Clearing Procedures.

12806. Premium Payment
12806.1 Option premium shall be paid by the buyer to the Clearing House, and received by the seller from the Clearing House in full following the trade. Payments shall be made as directed by the Clearing House.

12807. Strike Prices
Transactions in Oman Crude Oil (DME) Average Price Options may be submitted to the Clearing House with strike prices in increments of $0.05 per barrel, subject to any limits on the range of available strike prices published by the Clearing House.

**Option Exercise**

Oman Crude Oil (DME) Average Price Options may be exercised only on the last trading day, as described in 12809.1.

**Termination of Trading**

Trade submission shall cease on the last business day of the contract month.

On the last trading day, as described in 12809.1, the final time for trade submission shall be 4:30pm Singapore time.

**Expiry**

A Oman Crude Oil (DME) Average Price Option Contract shall expire on the last business day of the calendar month.

On the Expiry Day, as described in 12810.1, the Oman Crude Oil (DME) Average Price Option Contract shall expire at 4:30pm New York time. Where an option is to be exercised by the buyer, such exercise must be notified to the Clearing House by the expiration time. Any Oman Crude Oil (DME) Average Price Option for which the Clearing House has not been notified of exercise by the expiration time shall be deemed to be abandoned.

The Clearing House shall confirm the assignment of an Oman Crude Oil (DME) Average Price Option Contract to the seller as soon as reasonably practicable following the expiration time.

**Underlying Reference Price**

The Underlying Reference Price for each contract month is equal to the arithmetic average of the DME Oman Oil Futures first nearby contract settlement price for each business day that it is determined during the contract month.

**Final Settlement**

Final settlement for the Oman Crude Oil (DME) Average Price Option Contract shall be by financial settlement.

For call options, on expiration, the Final Settlement Value will be the greater of the Underlying Reference Price minus the Strike Price or zero, multiplied by the contract size. On exercise, the buyer shall receive the Final Settlement Value as directed by the
Clearing House. On assignment, the seller shall pay the Final Settlement Value as directed by the Clearing House.

12812.3 For put options, on expiration, the Final Settlement Value will be the greater of the Strike Price minus the Underlying Reference Price or zero, multiplied by the contract size. On exercise, the buyer shall receive the Final Settlement Value as directed by the Clearing House. On assignment, the seller shall pay the Final Settlement Value as directed by the Clearing House.

12809. Disclaimer

12809.1 The Oman Crude Oil (DME) Average Price Options are not sponsored, endorsed, sold or promoted by Dubai Mercantile Exchange Ltd. ("DME"). DME makes no representation or warranty, express or implied, to the owners of the Oman Crude Oil (DME) Average Price Options or any member of the public regarding the advisability of trading in the Oman Crude Oil (DME) Average Price Options. DME licenses to CMECE certain rights to use certain trademarks and trade names of DME and DME’s settlement prices for its Oman Crude Oil futures contracts in connection with CMECE’s determination of the settlement prices for its Oman Crude Oil (DME) Average Price Options. DME creates its settlement prices without regard to CMECE or the Oman Crude Oil (DME) Average Price Options, and DME has no obligation to take the needs of CMECE or the owners of the Oman Crude Oil (DME) Average Price Options into consideration in creating DME’s settlement prices. DME has no obligation or liability in connection with the administration, marketing, trading, or settlement of the Oman Crude Oil (DME) Average Price Options.

CMECE AND DME DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY SETTLEMENT PRICES OR ANY DATA RELATED THERETO AND NEITHER CMECE NOR DME SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. CMECE AND DME MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY CMECE, OWNERS OF THE OMAN CRUDE OIL (DME) AVERAGE PRICE OPTIONS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF ANY SETTLEMENT PRICES OR ANY DATA RELATED THERETO. CMECE AND DME MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE SETTLEMENT PRICES USED IN CONNECTION WITH THE OMAN CRUDE OIL (DME) AVERAGE PRICE OPTIONS OR ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CMECE OR DME HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN CMECE AND DME.

“DME” is a service mark of Dubai Mercantile Exchange Ltd. (“DME”) and has been licensed for use for certain purposes to CME Clearing Europe Ltd. in connection with its Oman Crude Oil (DME) Average Price Options which are not sponsored, endorsed, sold
or promoted by DME, and DME makes no representation regarding the advisability of trading in Oman Crude Oil (DME) Average Price Options.

Last updated: 15 March 2011