

CORPORATE EVENTS

MEMO # 05-170

DATE: 08/5/05

ACTION:	Unocal Corporation (UCL) – Anticipated adjustment due to proposed merger. This corporate action will be coordinated with the Options Clearing Corporation.
CATEGORY:	Contract Adjustment (Election Merger)
SECURITY FUTURE:	Unocal Corporation
ONECHICAGO SYMBOL:	UCL1C changes to UCL2C
CME SYMBOL:	QS will be changed to a still to be determined symbol.
NUMBER OF CONTRACTS:	No Change
EFFECTIVE DATE:	Effective the opening of business the day after the merger is consummated. Contract adjustment is expected to occur on August 11, 2005.
MULTIPLIER:	100 multiplier remains the same
DELIVERABLE PER CONTRACT:	<p>The deliverable for adjusted Unocal Corporation futures will be based on the merger consideration which accrues to non-electing UCL shareholders (stated in terms of a current 100-share UCL deliverable).</p> <p>1) 61 Chevron Corporation (CVX) Common Shares 2) Cash in lieu of .8 fractional CVX shares* 3) \$2,760.00 cash (\$27.60 x 100)*</p> <p>* The cash portion of the deliverable remains permanently fixed as part of the futures deliverable, and does not vary with prices changes of securities also included in the deliverable.</p>
APPLICABLE CONTRACT MONTHS:	August, September, December and March
SETTLEMENT PRICES AND POSITIONS:	To be determined , pending the end of “when-issued” trading in CVX.

BACKGROUND:

On August 10, 2005, Shareholders of Unocal Corporation (UCL) will vote on a proposed merger with Chevron Corporation (CVX). If the merger is approved and consummated, each existing UCL Common Share will be converted into the right to receive either:

- 1.03 CVX Common Shares. Cash will be paid in lieu of fractional CVX shares.
- \$69.00 cash, subject to prorations.
- 0.618 CVX Common Shares and \$27.60 cash. Cash will be paid in lieu of fractional CVX shares. The Mixed Consideration will not be subject to prorations.

NOTES:

The forecasted effect of the upcoming corporate event on each clearing firms' positions can be viewed in infopac in the Corporate Event Initial Forecast Report (ONE712), the Corporate Event Final Forecast Report (ONE713), and the Corporate Event Forecast Audit Report (CPDBU710).

If you have any questions regarding the information provided in the document, please call CME Clearing risk management hotline at (312) 648-3888.