

CORPORATE EVENTS

MEMO # 06-191

DATE: 8/8/06

ACTION:

Kerr-McGee Corp. (KMG) – Anticipated Cash Settlement. **The effective date may be as soon as August 11, 2006.** On August 10, 2006, shareholders will vote concerning the proposed merger with a subsidiary of Anadarko Petroleum Corporation (APC). If the merger is approved and consummated, each existing KMG common share will be converted into the right to receive \$70.50 net cash per share. This corporate action will be coordinated with the Options Clearing Corporation.

CATEGORY:

Contract Adjustment

EQUITY SYMBOL:

KMG (Kerr-McGee Corp.)

ONECHICAGO SYMBOL:

KMG1C symbol will not change however it will discontinue trading on the date of the Contract Adjustment.

CME FUTURES SYMBOL:

KM symbol will not change however it will discontinue trading on the date of the Contract Adjustment.

EFFECTIVE DATE:

Contract Adjustment is expected to occur as soon as August 11, 2006.

MULTIPLIER:

100 multiplier remains the same.

DELIVERABLE PER CONTRACT:

\$7,050.00 (\$70.50 x 100) subject to adjustment.

APPLICABLE CONTRACT MONTHS:

August, September, December and March 2007

**SETTLEMENT PRICES
AND POSITIONS:**

All positions in the KMG1C futures contracts and all underlying common shares will become cash settled as soon as August 11, 2006.

BACKGROUND:

On August 10, 2006, shareholders will vote concerning the proposed merger with a subsidiary of Anadarko Petroleum Corporation (APC). If the merger is approved and consummated, each existing KMG common share will be converted into the right to receive \$70.50 net cash per share. If the effective time of the merger does not occur on or before August 10, 2006, the amount of the merger consideration will increase at a daily rate of \$0.01255 for each day until the effective time of the merger. The merger consideration will not exceed \$71.0271 per KMG share.

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