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## **Nodal Exchange and LCH.Clearnet Ltd extend expiries and introduce new MISO contracts**

**WASHINGTON and LONDON, April 6, 2011**

Nodal Exchange, LLC and LCH.Clearnet Ltd (LCH.Clearnet) have extended expiries by 20 months to current month plus 68 months forward on all the hubs and zones currently offered in Nodal Exchange's daily auction, as well as on their Henry Hub natural gas contract.

Two new contracts, Indiana Hub and MISO Energy, have also been introduced to support the market's transition away from Cinergy Hub. Indiana Hub is a new hub in the Midwest Independent Transmission System Operator (Midwest ISO) network, and MISO Energy is the energy component of Locational Marginal Price (LMP), the others being congestion and loss, which is the same across the Midwest ISO for all locations. These new contracts, which are also available for current month plus 68 months forward, allow MISO participants to hedge risk and both will be available for either Day Ahead or Real Time settlement.

"We are pleased that we continue to be able to expand our contract offerings to meet the evolving needs of our market," said Paul Cusenza, Chief Executive Officer of Nodal Exchange. "The continued product expansion and extension of expiries reflects the success of Nodal Exchange and LCH.Clearnet in bringing innovation to the market in the two years since launch."

Alberto Pravettoni, Managing Director, LCH.Clearnet said: "The nodal system has introduced major benefits to the US power markets such as increased transparency and more accurate pricing. The support and interaction that we have with participants has been invaluable to the ongoing development of this service, and we look forward to continuing to build on these relationships."

Since its launch in 2009, Nodal Exchange has introduced over 60,000 expiries on over

3,600 Day Ahead and over 100 Real Time settled power contracts. In addition, the company also offers a contract on Henry Hub for natural gas. All Nodal Exchange contracts are financially settled.

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### **About Nodal Exchange, LLC**

Nodal Exchange is the first commodities exchange dedicated to offering locational (nodal) futures contracts and related services to participants in the organized North American electric power markets. Nodal Exchange builds on the success of the existing Regional Transmission Organization/Independent System Operator (RTO/ISO) Day Ahead and Real Time markets by offering cash-settled futures contracts in a cleared market enabling Nodal Exchange participants to effectively manage basis and credit risk. Daily auctions are held on over 90 key locations and weekly auctions on over 1,800 hubs, zones and nodes. The Nodal Exchange platform also accepts for clearing over-the-counter (OTC) cash settled trades for power and natural gas contracts submitted by participants and brokers. Nodal Exchange is an independent, privately held company. For more information, visit [www.nodalexchange.com](http://www.nodalexchange.com).

### **About LCH.Clearnet**

LCH.Clearnet is the leading independent clearing house group, serving major international exchanges and platforms, as well as a range of OTC markets. It clears a broad range of asset classes including: securities, exchange traded derivatives, energy, freight, interbank interest rate swaps, credit default swaps and euro and sterling denominated bonds and repos; and works closely with market participants and exchanges to identify and develop clearing services for new asset classes.

A clearing house sits in the middle of a trade, assuming the counterparty risk involved when two parties (or members) trade. When the trade is registered with a clearing house, it becomes the legal counterparty to the trade, ensuring the financial performance; if one of the parties fails, the clearing house steps in. By assuming the counterparty risk, the clearing house underpins many important financial markets, facilitating trading and increasing confidence within the market.

Initial and variation margin (or collateral) is collected from clearing members; should they fail, this margin is used to fulfill their obligations. The amount of margin is decided by the clearing house's highly experienced risk management teams, who assess a member's positions and market risk on a daily basis. Both the soundness of the risk management approach and the resilience of its systems have been proven in recent times.

LCH.Clearnet is regulated or overseen by the national securities regulator and/or central bank in each jurisdiction from which it operates.