



Press Release

FIS launches Iron Ore Swaps with LCH.Clearnet

LONDON

Wednesday 06th May 2009

FIS (Freight Investor Services) in cooperation with the London Clearing House (LCH.Clearnet) is pleased to announce the launch of a cleared CIF China cash settled iron ore derivative.

850 Million Tonnes of Iron Ore with a market value of \$160 billion were shipped in 2008 and the emergence of a cleared OTC swap contract will be essential for price risk management. Up until now 85% of iron ore sold has been on via an annual benchmark price negotiation, currently this process of deciding price is in danger of being blown wide open, leaving the spot market to be the key price driver.

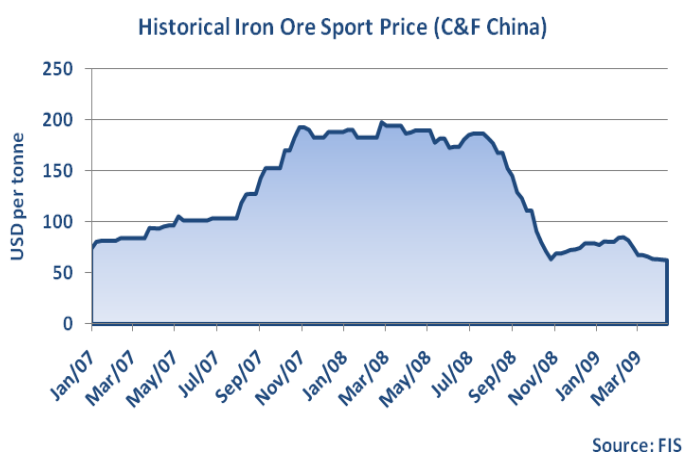
John Banaszkiwicz, Managing Director of Freight Investor Services (FIS) said “Last April, the price of Iron Ore reached \$187 delivered China and today’s spot value is \$61, these price swings only cement the need for a cleared contract to eliminate counterparty risk and help manage exposures. FIS’ experience and expertise in nascent commodity derivatives is aiding the development of the market place. Having worked exclusively with LCH.Clearnet to develop this cleared solution we hope that the commodity community will find it effective and suitable to manage exposure to this extremely fundamental core product.”

“FIS is extremely pleased to have worked exclusively with LCH.Clearnet on this cleared contract and we hope that it will be an effective tool for the industry to manage risk in the current highly

volatile and sensitive time. In addition, to combine this with the freight derivative contract, FIS is in a strong position to develop its clients risk management and drive the market forward.”

Isabella Kurek Smith, Director, Energy and Freight at LCH.Clearnet said “We are proud to partner FIS in developing the cleared contract. As the leading OTC iron ore and freight broker, their industry expertise and provision to us of a daily forward curve, has strongly supported the development of clearing in this important and growing market. The service will bring the benefits of risk mitigation and reduction of counterparty risk to industry participants and our members. LCH.Clearnet is pleased to be able to launch this contract as a natural extension to our successful FFA clearing service, and we look forward to expanding our clearing services in these markets.”

Mark Lyons, Trading Manager, Iron Ore and Steel Derivatives at Cargill said “Cargill has been trading iron ore swaps for 9 months and now the availability of an exchange cleared contract will enable us to protect the value of assets and will also result in improved transparency for the buyers and sellers, particularly beneficial to the mills and mines.”



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Who is FIS

FIS was founded as an independent boutique FFA broking house in October 2002 and offers impartial and accurate risk management guidance and advice on the freight, iron ore, physical shipbroking and fertilizer derivative markets.

The company is fully registered and regulated by the Financial Services Authority (FSA) in UK.