

Anexo 2 – Contrato de Futuros – Heating Oil July 2010

Contract Specifications

Symbol	HO
Name	Heating Oil
Exchange	NYMEX
Trading Months	January, February, March, April, May, June, July, August, September, October, November, December (F, G, H, J, K, M, N, Q, U, V, X, Z)
Trading Unit	42,000 gallons
Tick Size	\$0.0001 (0.01 cent) per gallon (\$4.20 per contract)
Daily Limit	\$0.25 per gallon (\$10,500 per contract)
Trading Hours	9:00a.m. - 2:30p.m. (GLOBEX 6:00p.m. - 5:15p.m. Sunday - Friday) EST
Last Trading Day	Trading terminates at the close of business on the last business day of the month preceding the delivery month
Value of one futures unit	\$42,000
Value of one options unit	\$42,000

CRB Yearbook Description

Heating oil is a heavy fuel oil that is derived from crude oil. Heating oil is also known as No. 2 fuel oil and accounts for about 25% of the yield from a barrel of crude oil. That is the second largest "cut" after gasoline. The price to consumers of home heating oil is generally comprised of 42% for crude oil, 12% for refining costs, and 46% for marketing and distribution costs (Source: EIA's Petroleum Marketing Monthly, 2001). Generally, a \$1 increase in the price of crude oil translates into a 2.5-cent per gallon rise in heating oil. Because of this, heating oil prices are highly correlated with crude oil prices, although heating oil prices are also subject to swift supply and demand shifts due to weather changes or refinery shutdowns.

The primary use for heating oil is for residential heating. In the U.S., approximately 8.1 million households use heating oil as their main heating fuel. Most of the demand for heating oil occurs from October through March. The Northeast region, which includes the New England and the Central Atlantic States, is most reliant on heating oil. This region consumes approximately 70% of U.S. heating oil. However, demand for heating oil has been dropping as households switch to a more convenient heating source like natural gas. In fact, demand for heating oil is down by about 10 billion gallons/year from its peak use in 1976 (Source: American Petroleum Institute).

Refineries produce approximately 85% of U.S. heating oil as part of the

"distillate fuel oil" product family, which includes heating oil and diesel fuel. The remainder of U.S. heating oil is imported from Canada, the Virgin Islands, and Venezuela.

Recently, a team of Purdue University researchers developed a way to make home heating oil from a mixture of soybean oil and conventional fuel oil. The oil blend is made by replacing 20% of the fuel oil with soybean oil, potentially saving 1.3 billion gallons of fuel oil per year. This soybean heating oil can be used in conventional furnaces without altering existing equipment. The soybean heating oil is relatively easy to produce and creates no sulfur emissions.

The "crack-spread" is the processing margin earned when refiners buy crude oil and refine it into heating oil and gasoline. The crack-spread ratio commonly used in the industry is the 3-2-1, which involves buying 1 heating oil contract and 2 gasoline futures contracts, and then selling 3 crude oil contracts. As long as the crack spread is positive, it is profitable for refiners to buy crude oil and refine it into products. The NYMEX has a crack-spread calculator on their web site at www.NYMEX.com.

Heating oil futures and options trade at the New York Mercantile Exchange (NYMEX). The heating oil futures contract calls for the delivery of 1,000 barrels of fungible No. 2 heating oil in the New York harbor. In London, gas/oil futures and options are traded on the ICE Futures Europe (ICE) exchange.

Prices - NYMEX heating oil futures prices on the nearest-futures chart started the year 2009 at around \$1.48 per gallon and rallied to a high at the end of the year of \$2.12 in December. After a spike to 220.03 in January of 2010 the price moved lower.

Supply - U.S. production of distillate fuel oil in 2009 (through November, annualized) fell by 8.8% yr/yr to 3.598 million barrels per day, down from the record high of 4.198 million barrels per day in 2007. Stocks of distillate fuel oil in November 2009 were 169.9 million barrels. U.S. production of residual fuel in 2009 (through November, annualized) fell by -4.0% yr/yr to an average of 595,000 barrels per day, which is less than half the production levels of well over 1 million barrels per day produced in the 1970s. U.S. stocks of residual fuel oil as of January 1, 2009 rose +0.3% to 38.7 million barrels from 38.6 million barrels a year earlier.

Demand - U.S. usage of distillate fuel oil in 2009 (through November, annualized) fell -8.2% yr/yr to 3.598 million barrels per day, further down from 2007's record high of 4.198 million barrels per day.

Trade - U.S. imports of distillate fuel oil in 2009 (through November, annualized) rose +6.0% to an average of 226,000 barrels per day, down from the 2006 record high of 365,000 barrels per day. U.S. exports of distillate fuel

oil in 2007 (latest data) rose by +2.7% yr/yr to a 13-year high average of 221 barrels per day. U.S. imports of residual fuel oil in 2007 (latest data) rose +5.1% yr/yr to 368,000 barrels per day, which was less than a third of the levels of over 1 million barrels per day seen back in the 1970s. U.S. exports of residual fuel oil in 2007 (latest data) rose +9.2% to 309,000 barrels per day, which was a new record high.