

Notice to clients

16 November 2011

**MF Global Australia Limited (administrators appointed) (MFGA)
MF Global Securities Australia Limited (administrators appointed)
Brokerone Pty Limited (administrators appointed)
together, the "Companies".**

It has been and continues to be a priority of the Administrators' to update clients on a regular basis during the course of the Administration. Within the first two weeks of my appointment I have provided updates almost on a daily basis. This was required given the high volume of interest, client queries and daily developments in each product category across the globe.

Given the majority of positions are now closed; it is my intention to now provide a weekly client update together with any urgent notices as and when required. All client communication channels with the Administrators are still open including: hotline (+61 2 8273 8851), email (mfgaustralia@deloitte.com.au) and web page (www.deloitte.com/au/mfglobal).

Further to the first meeting of creditors held on Friday 11 November 2011, below is a brief summary by product category of the current position.

All Clients – statements and account positions

We understand that some clients may have received (or had access to) statements or records in respect of their positions. I would like to highlight two points in relation to client statements:

1. Statements showing open positions

Some Clients may have had access to statements indicating that they still hold open positions.

While we have not been able to investigate each client record individually to determine the reason for this, **you should regard any open position recorded with MFGA as being closed out.**

2. Statement balance

You should also be aware that client accounts and statements will not reflect positions closed out since the date of my appointment.

The close out value of these positions is being determined, and will depend upon information that MFGA has requested but not yet received (mostly from MFGA's Hedge Counterparties). We are still waiting on information from almost all counterparties.

We will continue to provide updates on any further developments in this regard.

Futures clients

As set out in our futures client update on 9 November 2011, MFGA determined to take action available to it to transfer or close out all open positions from 5pm (Sydney Time), on 9 November 2011 (on the terms contained in our notice to clients dated 4 November 2011). MFGA's ability to give effect to this determination was subject to the actions of third parties (such as clearing houses or executing brokers).

There has been no significant update since the First Meeting of Creditors held on Friday 11 November 2011 or the update issued on 9 November 2011. For reference I provide a brief summary of futures positions by location:

1. Australian futures positions

All positions are closed with the exception of a small number of illiquid positions which are in the process of being dealt with by the ASX. As previously advised and detailed above, information regarding the value of the close out transactions cannot yet be updated to your accounts until the ASX provides close out transaction information to the Administrators. That information has not yet been received and ASX24 issued notice 231/11 on 15 November 2011 which updates its position on information and payment of funds.

2. USA futures positions

All requests for transfer of positions have been transmitted to Bank of New York Mellon Clearing LLC (**BNYMC**). We are advised the majority of these positions have now been closed and BNYMC is in the process of finalising these positions, with the exception of a small number of illiquid positions which BNYMC are in the process of dealing with.

3. Singapore, Hong Kong and Tokyo futures positions

MFGA's offshore counterparties have advised that they have closed out all Singapore, Hong Kong and Tokyo futures positions.

The close out value of these positions is not yet available to MFGA and will depend on information that MFGA has requested but not yet received. I do not have a definitive timeline of when this information will be received

4. European futures positions

MFGA has sent all client orders for close out or transfer to the special administrators of MF Global UK Limited (administrators appointed). We are awaiting confirmation on the status of these orders.

The close out value of European futures positions is not yet available to MFGA and will depend upon information that MFGA has requested but not yet received from the special administrators.



CFD Clients Update

I have nothing to report subsequent to the first meeting of creditors and the notice to clients dated 9 November 2011. Client CFD positions have been closed out. The close out value of these positions is being determined, and will depend upon information that MFGA has requested but not yet received.

Christopher Campbell
Joint administrator
MF Global Australia Limited (administrators appointed)