

CONTRACTING PARTY'S AGREEMENT ("CPA")
WITH NATURAL GAS EXCHANGE INC. ("NGX")

C.F.T.C.

OFFICE OF THE SECRETARIAT

2009 NOV 6 PM 4 09

NOTICE OF AMENDMENTS TO CPA EFFECTIVE ON NOVEMBER 16, 2009
(NOTICE DATE: NOVEMBER 6, 2009)

This notification, pursuant to the terms of the CPA, relates to amendments to the CPA (the "CPA Revisions"). These revisions are to Article 5 and to Schedule C, and shall become effective on November 16, 2009.

The following chart summarizes the CPA Revisions. Please refer to the NGX website at www.ngx.com under the heading "News and Notices", as well as the "downloads" tab of the members-only section ("CPA and Other Documents"), for additional details and the specific text of the CPA Revisions.

ARTICLE OR SCHEDULE	AMENDED ARTICLES
Article 5 - Recourse and Liability	Article 5 has been revised to lengthen the time period in which a CP may notify Exchange of its early termination in the event of an Exchange Bankruptcy Event of Default (s. 5.13)
Schedule C - Risk Management Policy	Schedule C has been revised to update the definitions section to include a discretionary crude oil margining credit (s. 1(c))



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November 6, 2009

Attention: Secretary

Commodity Futures Trading Commission
Three Lafayette Centre
1155 - 21st Street, N.W.
Washington, D.C. 20581

Re: Natural Gas Exchange Inc. - Notification and self-certification of rule changes

1. **SUBMISSION**
In accordance with Regulation 40.6(a), Natural Gas Exchange Inc. ("NGX") hereby submits amendments to its rulebook (the "Contracting Party's Agreement" or "CPA").
2. **TEXT OF RULE CHANGE**
The text of the rule amendments is attached as Appendix "A", with additions underlined and deletions struck out.
3. **DATE OF IMPLEMENTATION/EFFECTIVE DATE**
The amendments will become effective as of November 16, 2009.
4. **OPPOSING VIEWS**
There were no substantive opposing views to the amendments.
5. **APPLICATION OF THE ACT AND REGULATIONS**
An officer's certificate is attached as Appendix "B".

Please do not hesitate to contact myself (403-974-1705) or our Chief Legal Counsel, Cheryl Graden (416-947-4359) for any further information the Commission or its staff may require in connection with this rule amendment.

Yours truly,

Peter Krenkel
President, Natural Gas Exchange Inc.

cc: Cheryl Graden, NGX
CFTC Southwestern Regional Office

Appendix "A"

PRIVATE AND CONFIDENTIAL

The Agreement has been prepared for participants in the NGX Trading System and NGX Clearing System and contains private and confidential information in respect of the business of Natural Gas Exchange Inc. Natural Gas Exchange Inc. has made applications to the Alberta Securities Commission and other similar regulatory authorities in other provinces of Canada in respect of such business and has received exemptions from the application of various provisions of such legislation. This documentation has not been approved by any regulatory authority.

RISK DISCLOSURE STATEMENT

The risk of loss in entering into Transactions pursuant to the Agreement can be substantial. Consideration should be given to numerous factors, including the fact that Collateral may be applied against losses. Failure to provide additional Eligible Collateral Support when required may result in the liquidation of a position reflected by any Transaction. Under certain market conditions, it may be difficult or impossible to liquidate a position. The use of leverage can lead to large losses as well as gains. This brief statement is not intended to disclose all significant risks of the natural gas, oil and electricity markets and Contracting Parties should carefully study commodity and derivative market trading and seek advice from their advisor(s).

- ii. if Mediation, a statement from the mediator as to the passage of twenty (20) days from the initiation of Mediation or a joint direction from the Contracting Party and Exchange as to the resolution of the Mediation; or
- iii. if Arbitration, a statement from the Arbitrator or the Arbitral Tribunal, as the case may be, as to the decision in respect of the matter.

Exchange hereby agrees to provide the Escrow Agent with the Contracting Party's name and address for notices from the Escrow Agent and will cause the Escrow Agent to give the Undertaking to the Contracting Party in respect of the Deposit Agreement.

- c. In the event of any conflict between the provisions of this Agreement and the Deposit Agreement, the rights of Exchange and the Contracting Party under this Agreement will be deemed to be amended and interpreted in accordance with the provisions of the Deposit Agreement.

5.12 Indices

- a. Liability for Exchange Indices – Neither Exchange nor its agents, directors, officers and employees shall be liable to the Contracting Party for any losses, costs or expenses arising from any matter relating to the calculation, methodology of calculation, compilation, or publication of any indices which are calculated by Exchange which are used for the settlement of any Transaction. Exchange does not make any express or implied warranties in respect of the results which may be achieved through the use of any of such indices or in respect of the value of any of such indices at any given time, nor that any settlement prices established are at a fair, proper or correct amount. Neither Exchange nor its agents, directors, officers and employees shall, under any circumstances, be liable for errors or deficiencies in the calculation, methodology of calculation or publication of any of such indices nor shall Exchange be obligated to provide notice of, or publish, errors in any of such indices in any manner.
- b. Other Indices – Products, which are settled pursuant to the terms of this Agreement on the basis of settlement prices reported by any entity other than Exchange, are not issued, endorsed, sold or promoted by such entity, nor has such entity passed on their legality or suitability. Neither Exchange, nor its respective agents, directors, officers and employees shall be liable to the Contracting Party for any losses, costs, expenses arising from any matter relating to the source or accuracy of the underlying data, calculation, methodology of calculation, compilation, or publication of any indices which are used for the settlement of any Transaction and which are derived from any publication or any other third party index. Exchange does not make any express or implied warranties in respect to the results which may be achieved through the use of any of the indices or in respect of the values of any of the indices at any given time, nor that any settlement prices so established are at a fair, proper or correct amount. Neither Exchange, nor its agents, directors, officers and employees shall, under any circumstances, be liable for errors or deficiencies in the calculation, methodology of calculation, compilation or publication of any of the indices nor shall Exchange be obligated to provide notice of, or publish, errors in any of the indices in any manner. Nor shall Exchange nor its agents, directors, officers and employees shall be liable to the Contracting Party for any losses, damages, costs or expenses arising from any failure of publisher of such indices to establish settlement prices or report settlement prices for their contracts at a fair, proper or correct amount.

5.13 Remedies Upon an Exchange Bankruptcy Event of Default

- a. Early Termination – In the event that there occurs and is continuing an Exchange Bankruptcy Event of Default, the Contracting Party, in addition to any remedies it may have at law or in equity or otherwise under this Agreement or under any Transaction, may, on no less than ~~twenty-five~~ (205) days notice to Exchange (the "Early Termination Notice Date"), designate a day no earlier than the Early Termination Notice Date and no later than sixty (60) days after becoming aware of

such Exchange Bankruptcy Event of Default, as an early termination date (the "Early Termination Date"). On the Early Termination Date, all outstanding Transactions (collectively the "Terminated Transactions") shall be terminated.

(November 16, 2009)

- b. Remedies Upon Early Termination – If the Terminated Transactions are terminated by the Contracting Party pursuant to Section 5.13(a), Exchange shall in good faith calculate in a commercially reasonable manner: (i) an amount equal to the present value on the Early Termination Date (using the Default Rate as the discount rate) of the economic benefit to it, if any, resulting from the termination of the Terminated Transactions (the "Gains"); and (ii) an amount equal to the present value on the Early Termination Date (using the Default Rate as the discount rate) of the economic loss to it, if any, resulting from the termination of the Terminated Transactions (the "Losses"). Gains and Losses shall be determined, for each Terminated Transaction, by reference to relevant market information (which shall consist of the arithmetic average (the "Calculation") of market quotations ("Prices") provided by the five (5) Contracting Parties who:
- (x) with respect to Terminated Transactions that are Physical Oil Transactions or Swap Transactions for which the notional quantity is Oil (collectively, "Oil Products"), have traded the highest overall volume of Oil Products listed on the NGX Trading System;
 - (y) with respect to Terminated Transactions that are Physical Gas Transactions, Options contemplating the delivery of gas or Options or Swap Transactions for which the notional quantity is gas (collectively, "Gas Products"), have traded the highest overall volume of Gas Products listed on the NGX Trading System; or
 - (z) with respect to Terminated Transactions that are Swap Transactions for which the notional quantity is electricity (collectively "Electricity Products"), have traded the highest overall volume of Electricity Products listed on the NGX Trading System,

over the immediately prior consecutive twelve (12) month period (the "Highest Volume") and the terms and conditions under which the Contracting Party would reasonably be able to enter into a replacement agreement with a third party on the same material terms and conditions as set out in the Terminated Transaction (a "Replacement Transaction"). If Prices are not forthcoming from any such five (5) Contracting Parties, Exchange shall obtain Prices from the Contracting Party with the next Highest Volume until five Prices have been obtained for the Calculation, and in circumstances where five such Prices are not forthcoming, Exchange shall perform the Calculation on such lesser number of Prices that can be obtained using the above method. Notwithstanding the foregoing, nothing in this Agreement shall require or be deemed to require the Contracting Party to enter into a Replacement Transaction.

As soon as practicable following the Early Termination Date and in no event later than five (5) days following the Early Termination Date, Exchange shall aggregate, Set-Off and net all Gains and Losses along with all other Obligations owed by Exchange to the Contracting Party under the Agreement ("Receivables") and all payables owed by the Contracting Party to Exchange under the Agreement ("Payables") to reduce all such amounts to a single net amount (the "Net Termination Payment") and notify the Contracting Party in writing of the Net Termination Payment owed to or owing by the Contracting Party (the "Termination Notice"). To the extent that the Contracting Party is owed a Net Termination Payment by Exchange, Exchange shall pay the Net Termination Payment to the Contracting Party as soon as practicable, making commercially reasonable efforts to pay such Net Termination Payment within ten (10) Business Days of receipt by the Contracting Party of the Termination Notice regarding such calculation. To the extent that the Contracting Party owes a Net Termination Payment to Exchange, the Contracting Party shall pay the Net Termination Payment to Exchange within two (2) Business Days of receipt of the Termination Notice. In the event that Exchange has not provided a Termination Notice to the Contracting

SCHEDULE "C" - RISK MANAGEMENT POLICY

1. DEFINITIONS

Words and phrases capitalized in this Risk Management Policy and not defined herein have the same meaning as in this Agreement.

In this Schedule "C", the following terms and phrases mean as follows:

- a. "Approved Financial Institution" means any bank approved by Exchange with long-term, unsecured, unsubordinated debt (not supported by third party credit enhancement) with at least one credit rating of at least:
- i. "A" from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.; or
 - ii. "A2" from Moody's Investors Service, Inc.,
- or their respective successors;
- b. "Available Margin" means, for any Contracting Party, the difference between the value of the Collateral provided by such Contracting Party and available to Exchange and the Margin Requirement for such Contracting Party, each as calculated hereunder;
- c. "Current Month Accounts Net Payable " means,
- i. for a Contracting Party entering into Physical Gas Transactions, the accounts payable owing by Exchange to such Contracting Party less the accounts receivable owing by such Contracting Party to Exchange pursuant to all Physical Gas Transactions delivered to date during that current month; and
 - ii. for a Contracting Party entering into Physical Oil Transactions, a discretionary credit (as determined by Exchange) of 25% of the accounts payable that will be owing by Exchange to such Contracting Party as at the next Physical Settlement Date less the accounts receivable that will be owing by such Contracting Party to Exchange as at the next Physical Settlement Date pursuant to all Physical Oil Transactions delivered during that current month, provided that such discretionary credit, if any, shall not be allocated to such Contracting Party until after the 20th of the current month for Canadian Physical Oil Transactions, and after the 15th of the current month for US Physical Oil Transactions;
- (November 16, 2009);
- d. "Initial Margin" means, for each Contracting Party, an amount established by Exchange from time to time based on the applicable Initial Margin Rate for each Product and the aggregate of all Net Open Positions of such Contracting Party;
- e. "Initial Margin Rate" means, for each Product, an amount established by Exchange from time to time as published by Exchange on Exchange's Website;
- f. "Margin Limit" means, for each Contracting Party, an amount determined by Exchange which shall not exceed the value of the Collateral granted by such Contracting Party and available to Exchange, as calculated hereunder;
- g. "Margin Requirement" means, for each Contracting Party, an amount equal to the sum of the Previous Month Accounts Net Payable, Current Month Accounts Net Payable, Swap Settlement Net Payable, Option

APPENDIX "B"



CERTIFICATE

I **HEREBY CERTIFY** that, to the best of my knowledge as an officer of Natural Gas Exchange Inc. ("NGX"), the rule amendments set out in Appendix "A" to NGX's November 6, 2009 notification to the CFTC of self-certification of rule changes complies with the Commodity Exchange Act and the regulations thereunder as applicable to NGX.

Dated this 6th day of November, 2009.

NATURAL GAS EXCHANGE INC.

Per:

A handwritten signature in black ink, appearing to read "Peter Krenkel", written over a horizontal line.

Peter Krenkel
President