

FORM FBOT—EXHIBIT A-1

Request: Attach a description of the following for the foreign board of trade:

Location, history, size ownership and corporate structure, governance and committee structure, current or anticipated presence of offices or staff in the United States, and anticipated volume of business emanating from members and other participants that will be provided direct access to the foreign board of trade's trading system.

Response:

Location

The executive offices and headquarters of the Natural Gas Exchange Inc. ("NGX") is at Suite 2330, 140-4th Avenue SW, Calgary, Alberta, Canada.

History, Ownership and Corporate Structure

NGX is a trading and clearing system for energy products in the North American market and provides electronic trading, central counterparty clearing and data services to the North American natural gas and electricity markets traded through the IntercontinentalExchange, Inc. ("ICE") trading platform ("ICE Platform" or "NGX Trading System") pursuant to an Agreement for Services of which both NGX and ICE are signatories. NGX operates an electronic marketplace through which NGX contracting parties ("Participants") may enter into (i) spot and forward physically settled natural gas and oil contracts for delivery at various Canadian and U.S. pipeline hubs and oil locations and (ii) swap and option contracts relating to natural gas and electricity and oil swaps referencing various Canadian and U.S. pricing points.¹

NGX announced its commercial alliance with ICE on March 28, 2007. This agreement involves outsourcing by NGX for certain trading services from ICE, and the provision of clearing services by NGX in the U.S. for certain of ICE's physically settled natural gas and crude oil products listed on the ICE Platform and traded over-the-counter ("OTC"). The alliance became effective on February 9, and launched on March 28, 2008.

NGX was incorporated in 1993 and has operated continuously since February 10, 1994. NGX was established as a wholly owned subsidiary of Westcoast Energy Inc., a major North American integrated energy services company, to provide electronic trading, exchange and clearinghouse services to the Canadian wholesale natural gas industry. In March 2000, the OM Group of Sweden acquired a 51% stake in NGX, with an option to acquire the remainder of the company later. The OM Group exercised this option in January of 2001, making NGX a wholly owned subsidiary.

¹ NGX is also a registered derivatives clearing organization ("DCO"). NGX DCO provides clearing services for transactions entered into bilaterally or on other authorized execution facilities.

At that time, NGX was comprised of two related legal entities, Natural Gas Exchange Inc. (“NGX Inc.”) and its wholly owned subsidiary NGX Financial Inc. (“NGX Financial”). These entities were amalgamated on November 1, 2002 to form Natural Gas Exchange Inc. (“NGX 2002”).²

On March 1, 2004, the TMX Group Inc. (“TMX Group”) (which operates cash and derivative markets for multiple asset classes, including equities, fixed income and energy products through the Toronto Stock Exchange, the TSX Venture Exchange and the Montreal Exchange, amongst other subsidiaries) announced that it had acquired NGX from the OM Group, consolidating all of the operations relating to NGX trading and clearing businesses into NGX. NGX has since operated as a wholly owned subsidiary of TMX Group.

TMX Group is a corporation incorporated under the Business Corporation Act (Ontario) and has its head office in Toronto, Ontario. Its shares have been listed for trading on the Toronto Stock Exchange since November 2002. TMX Group is a reporting issuer in every province and territory of Canada.

In November 2005, NGX incorporated a Delaware company, NGX U.S. Inc. (“NGX US”) as a wholly owned subsidiary of NGX.³ In September 2006, NGX acquired Alberta Watt Exchange Limited, a small electricity procurement mechanism based in Calgary. This exchange provides an automated procurement mechanism through which the local system operator procures electricity on a standby commitment to support the grid. This entity operates as a separate subsidiary and has not been integrated into NGX’s trading or clearing business.

NGX’s primary operations are located in Calgary, Alberta. NGX’s lead regulator is the Alberta Securities Commission (“ASC”). On October 9, 2008, NGX’s status in Alberta changed from being an exempt exchange to a recognized exchange.⁴ In addition, NGX became a recognized clearing agency under Alberta law.⁵ NGX continues to hold exemptive relief orders in other applicable Canadian provinces.

NGX notified the U.S. Commodity Futures Trading Commission (“Commission”) on November 5, 2002, of its operation as an Exempt Commercial Market under section 2(h)(5) of the Commodity Exchange Act, 7 U.S.C. §1 et seq. (“Act”).⁶ On December 12, 2008, NGX was registered by the Commission as a DCO.⁷

On May 19, 2010, NGX submitted to the Commission a request for no-action relief confirming that the Staff would not recommend that the Commission take enforcement action against NGX, its Participants, or persons located in the U.S. that have been authorized to directly access NGX’s electronic trading system, if it did not seek designation as a contract market pursuant to section 5 of the CEA or as derivatives transaction execution facility pursuant to section 5a of the CEA or Commission rules thereunder. That request was pending at the time

² NGX Articles of Incorporation are appended as Attachment A-2a.

³ NGX U.S. Articles of Incorporation are appended as Attachment A-2b.

⁴ Recognition Order of NGX as an exchange is appended as Attachment A-7a

⁵ Recognition Order of NGX as a clearing agency is appended as Attachment 1-7c.

⁶ See <http://sirt.cftc.gov/SIRT/SIRT.aspx?Topic=TradingOrganizations&implicit=true&type=ECM&CustomColumnDisplay=TTTTTTTT>.

⁷ See <http://sirt.cftc.gov/SIRT/SIRT.aspx?Topic=ClearingOrganizations&implicit=true&type=DCO&CustomColumnDisplay=TTTTTTTT>.

that the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) was enacted, and has not been acted on by the Commission. The Commission recently adopted registration rules, as authorized by the Dodd-Frank Act, for FBOTs seeking to permit direct market access by their U.S. members.⁸ This Application is being filed pursuant to those rules.

NGX continues to operate as an ECM pursuant to an Order of the Commission while this Application for registration as a FBOT is pending and may do so without additional relief until July 15, 2012.⁹

Size

The most actively executed transactions on NGX are for natural gas products. NGX also executes transactions in electricity and oil. In 2011, total volume, including trading and clearing in natural gas, crude oil and electricity, was equivalent to 14,667,016,222 mmBtu, which is equivalent to 1,466,701 NYMEX Henry Hub natural gas contracts.

Governance and Committee Structure

NGX is a federal private corporation, domiciled in Alberta, Canada, and a wholly owned subsidiary of the TMX Group. NGX’s Board of Directors is composed of eight individuals, all of whom are members of management of TMX Group. As of January 1, 2012, the following individuals comprise the Board of Directors: Kevan Cowan, Brenda Hoffman, Thomas Kloet, Peter Krenkel, Alain Miquelon, Sharon Pel, Michael Ptasznik and Eric Sinclair.¹⁰ NGX does not have separate committees of the Board. NGX’s governance structure is compliant with Alberta law and the requirements that apply to entities registered with the Commission as DCOs.¹¹

Executive Management Team

NGX employs an executive management team with specialized expertise in energy markets and energy clearing and system operations. The current management team consists of the: (1) President; (2) Chief Legal Counsel & Chief Regulatory Compliance Officer; (3) Vice President of Sales & Marketing; (4) Vice President of Clearing & Development; (5) Vice President of U.S. Business Development; (6) Manager of Crude Oil; (7) Vice President of Finance & Administration; (8) Vice President of Information Technology; and (9) Vice President, Markets Operations. The management team is subject to the supervision of the Board of Directors, which may change the structure and personnel of the management team from time to time.¹²

⁸ See “Registration of Foreign Boards of Trade,” 76 Fed. Reg. 80674 (December 23, 2011).

⁹ See “Orders Regarding the Treatment of Petitions Seeking Grandfather Relief for Exempt Commercial Markets and Exempt Boards of Trade,” 75 Fed. Reg. 56513 (September 16, 2010).

¹⁰ The biographies of the board members are provided in Attachment A-1a.

¹¹ In this regard, NGX will comply with Commission rules that are adopted relating to governance and conflict of interest.

¹² A chart identifying NGX’s executive management personnel and their areas of responsibility is provided as Attachment A-1b.

NGX's U.S. Activities

NGX currently maintains a U.S. office at Suite 270, 19500 State Highway 249, Houston, Texas 77070. NGX maintains this office for activities related to the exchange for the purpose of marketing and developing NGX's products in the U.S.; carrying out representational activities with regulators; and providing information to existing and prospective market participants. Its exchange-related activities in the U.S. include participation in various widely-attended industry conferences and trade shows for the purpose of acquainting the energy market with NGX, representing NGX at such events with respect to providing information of a general nature to persons and industry groups who might seek information with respect to obtaining access to NGX. NGX's U.S. office may also conduct marketing presentations and other educational programs relating to trading on the exchange.

As noted above, NGX is registered with the Commission as a DCO and conducts various activities related to its role as a central counterparty (and registered DCO) from its U.S. office. One of the U.S. office's primary functions in relation to NGX's DCO operations is to schedule natural gas deliveries in fulfillment of its role as the central counterparty to each transaction, arrange for backstopping as required and provide market price data to the DCO.

As discussed in Exhibit E, those who enter into NGX physical contracts intend to make or take delivery. Accordingly, those NGX physical contracts are excluded from the definitions of "futures" and "swap" contracts under the Act, and are not the subject of this Application.¹³ Nevertheless, NGX DCO clears such contracts and adheres to Commission rules with respect to clearing such contracts within the DCO. NGX U.S. personnel input trade details in respect of OTC off-screen transactions submitted for clearing to the NGX Clearing System.

As part of the ICE Platform, ICE provides the ICEBlock facility ("ICEBlock") for the entry of block trades, which is available to NGX staff and approved voice brokers. ICEBlock serves as the electronic processing system for transactions in NGX products that have been arranged bilaterally outside of the ICE Platform. NGX U.S. office personnel perform the role of inputting the necessary transaction data into the ICEBlock's OTC application or directly into the NGX Clearing System for such transactions.

NGX does not provide any investment advice from its U.S. office. In addition, the NGX U.S. office will not solicit, receive or direct orders for any product traded by NGX pursuant to its FBOT registration.¹⁴

As discussed above, NGX DCO clears contracts executed on the NGX Trading System. The NGX Clearing System is located in Calgary, Canada, and, except for ministerial assistance with scheduling pipeline deliveries and in inputting necessary data into the clearing system performed by its U.S. office, clearance and settlement functions currently take place in Canada.

¹³ See §§ 1a(27) and 1a(47)(B) of the Act.

¹⁴ As discussed in greater detail below, under the NGX-ICE agreement, NGX uses the ICE trading platform to match NGX trades.

Volume of Business

NGX lists for trading various cash-settled contracts, which are “swaps” within the definition of section 1a(47) of the Act, and include basis swaps, fixed price swaps, and index and spread swaps on natural gas, power and crude oil. The terms and conditions of the contracts that are the subject of this application are included in the NGX Contracting Party Agreement (Attachment A-3a), and additional information is included in Exhibit E.

Additional contracts, including cash forward contracts are listed on NGX. These include contracts for natural gas products and oil. They include physical fixed price, basis, and spread products, and physical contracts settled to daily and monthly indexes. These physical delivery contracts are traded by the parties with the intent of making or taking delivery and delivery routinely occurs. A complete listing of contracts available for trading on NGX is available at http://www.ngx.com/overview_cl.html.

NGX does not track transactions based on the specific hardware or interface through which orders are entered. However, the following NGX 2011 volume allotments may be relevant to the Commission’s consideration of business emanating from U.S. sources. Approximately 21, 26 and 28 percent of the volume in physical crude oil, physical natural gas and financial power contracts, respectively, can be attributed to U.S.-based entities.