ICE FUTURES EUROPE RELEASES TESTIMONY OF ICE FUTURES EUROPE CHAIRMAN BEFORE U.S. HOUSE COMMITTEE ON ENERGY AND COMMERCE

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LONDON, June 23 /PRNewswire-FirstCall/ -- In testimony today at a hearing of the U.S. House Committee on Energy and Commerce, Sir Bob Reid, Chairman of London-based ICE Futures Europe(TM), will discuss the role of the U.K.-based futures exchange in providing a regulated and transparent market, including its regulatory framework and cooperative oversight with the U.S. Commodity Futures Trading Commission (CFTC). ICE Futures Europe is a subsidiary of Atlanta-based IntercontinentalExchange Inc. (NYSE: ICE).

In his written testimony, Reid establishes that the drivers of oil prices are complex and points to numerous experts who attribute the price levels to market fundamentals rather than speculation, while recognizing that "speculation" does not equate to "manipulation." Reid states that: "'Speculation' ... needs to be distinguished from manipulation, which is to deceive investors by controlling or artificially affecting a market. A central role of a regulated marketplace such as ours it to take steps to prevent and detect such manipulation."

Reid points to market fundamentals that have played a role in the rising oil prices, including the devaluing of the dollar and decreased supply while demand has remained constant. In a report published earlier this month the International Energy Agency (IEA) said: "supply growth so far this year has been poor and higher prices are needed to choke off demand to balance the market." The IEA report goes on to say that rising prices are largely the result of these and other global market fundamentals.

Both ICE Futures Europe and the New York Mercantile Exchange (NYMEX) trade West Texas Intermediate (WTI) Crude Oil futures contracts, with the ICE contract settling every day based on the price discovered on the NYMEX. Reid said: "Some have asserted that the change in WTI prices since the beginning of 2007 has been driven by speculative traders building large positions in the ICE WTI contract. The facts, however, indicate otherwise as ICE Futures Europe's share of global WTI open interest has declined from about 20% to 15% over the same period."

In his testimony, Reid details the June 17, 2008 announcement by the CFTC regarding the amendment of the conditions under which ICE Futures Europe is permitted to operate in the U.S. The amended "no-action relief letter" conditions direct access on ICE Futures Europe's adoption of equivalent U.S. position limits and accountability levels on the ICE WTI Crude Oil futures contract. ICE Futures Europe will provide data identifying commercial and noncommercial participants that will allow the CFTC to incorporate the ICE WTI contract into the Commitment of Traders report. The agreement will be enforceable through the CFTC's broad authority over U.S. traders; the exchange's robust rule enforcement, and the oversight of the FSA.

Reid encouraged members of the Committee to refrain from calling on regulated futures markets to artificially increase margin levels as the result could produce the opposite effect that well-intentioned legislators may be seeking. Reid points out that margin levels have risen dramatically in the past year, with margin currently at over 3.5 times the margin levels at the beginning of 2007. "We have not seen evidence that this increase in margins has reduced prices," he said.

Reid concludes: "We recognize the severe impact of high crude oil prices on the U.S. economy and understand the Congressional desire to 'leave no stone unturned.' However, with a 15% share of global WTI futures and options open interest, we feel it is highly unlikely that our WTI contract is the primary driver of WTI prices. This 'inconvenient truth' clearly contradicts any notion of a London loophole."

The priority for regulators, Reid said, " ... in our increasingly interconnected world should be increasing cooperation with their counterparts in other countries."

Background

ICE Futures Europe, formerly the International Petroleum Exchange of London Ltd., was formed in 1980 and operated as a mutual exchange until 2001 when it was acquired by ICE shortly after the company's founding in 2000. Since its inception, ICE Futures Europe has been headquartered in London, governed by a separate board of directors and regulated by the U.K. Financial Services Authority (FSA). Reid chairs the board. ICE is subject to jurisdiction in more than 55 countries across the globe where its market participants are based.

In addition to its existing U.K. regulatory oversight and London-based market surveillance staff, ICE Futures Europe engages in regular reporting the CFTC. Since November 2006, ICE Futures Europe has providing weekly trader position data on the front two months in the WTI futures contract to the CFTC based on a memorandum of understanding (MOU) between the FSA and CFTC. In May, the MOU was expanded to the information provided to the CFTC and, subject to FSA approval, to adopt the equivalent to the U.S. position limits and accountability levels in the contract. Already, as part of its wide-ranging market surveillance activities, ICE Futures Europe monitors all WTI positions exceeding 100 contracts and shares this information with the FSA as part of an extensive monthly reporting process with the regulator, in addition to its ongoing dialogue with regard to its market oversight responsibilities.

In an effort to provide accurate and factual information about the regulated and transparent markets at ICE Futures Europe, the company offers a website, **www.oilfuturesmarketfacts.com**. The site offers detailed information on its regulated energy markets, as well as independent commentary on the role that fundamentals, such as the increasing imbalance between supply and demand growth, play in the global oil markets.

The full written testimony of Sir Bob Reid is available at: **http://www.oilfuturesmarketfacts.com/legislativeComments/index.php** .

About IntercontinentalExchange

IntercontinentalExchange(R) (NYSE: ICE) is a leading operator of global exchanges and over-the-counter (OTC) markets. ICE offers futures and OTC markets on a single trading platform, including markets for crude oil and refined products, natural gas, power and emissions, as well as agricultural commodities and financial products such as canola, cocoa, coffee, cotton, ethanol, orange juice, wood pulp, sugar, foreign currency and equity index futures and options. ICE(R) conducts its energy futures markets, including the leading oil benchmark contracts, through its London-based exchange, ICE Futures Europe(TM). ICE conducts its global agricultural commodity, foreign exchange and equity index futures markets through its U.S. and Canadian exchanges, ICE Futures U.S.(TM) and ICE Futures Canada(TM), and offers clearing services through ICE Clear U.S.(TM) and ICE Clear Canada(TM). ICE's state-of-the-art electronic trading platform serves market participants in more than 55 countries. ICE is included in the Russell 1000(R) Index and the S&P 500 Index. Headquartered in Atlanta, ICE has offices in Calgary, Chicago, Houston, London, New York, Singapore and Winnipeg. For more information, please visit **www.theice.com**.

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