



Bourse
de Montréal Inc.

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CIRCULAR
October 19, 2007

**FINAL CONTRACT ADJUSTMENT
WESTERN OIL SANDS INC. (WTO)
Plan of arrangement**

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.

The Bourse and CDCC will adjust Western Oil Sands Inc. (Western Oil) equity options contracts according to the plan of arrangement between Marathon Oil Corporation (Marathon Oil) and Western Oil. Western Oil shareholders who had not elected an option payment by October 15, 2007 will be deemed to have elected to transfer their Western Oil Shares in consideration of the cash consideration in respect of 65% of the outstanding Western Oil shares, and share consideration and exchangeable consideration in respect of 35% of the outstanding Western Oil shares. In addition, for each Western Oil share the holder will receive one common share in the capital of the new company WesternZagros Resources Inc. (New WesternZagros) and one-tenth of a New WesternZagros common share purchase warrant which will expire three months after the plan effective closing date. Since Western Oil shareholders elected to receive a cash amount greater than the CDN\$3.8 billion available, shareholders will receive approximately 86 per cent of the cash amount that they elected.

The deliverable for each equity option contract has been estimated based on the available information. **Furthermore, there will be no automatic exercise on Western Oil's positions during expiration processing.**

CDCC - adjustment details:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all Western Oil Sands options will be adjusted as follows:

- **EFFECTIVE DATE:** **October 22, 2007. OPTIONS EXERCISED ON OCTOBER 19 WILL RECEIVE THE CURRENT DELIVERABLE (100 WTO SHARES).**

- **OPTIONS SYMBOL:** **WTO becomes WTQ.**

Circular no.: 164-2007

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Louise Leclair, Trading Systems Analyst, Market Operations, Bourse de Montréal Inc. at 514 871-3526. CDCC Clearing Members may contact the CDCC Operations Department.

Joëlle Saint-Arnault
Vice-President, Legal Affairs and Secretary