



NOTICE TO MEMBERS

No. 2013 – 075

March 20, 2013

Poseidon Concepts Corp. (PSN)

Put Options

Members are referred to Notice to Members 2013-044 dated February 15, 2013. After February 15, 2013, Canadian Derivatives Clearing Corporation (“CDCC”) made applications to each of the Alberta Securities Commission, the British Columbia Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers (collectively, the “Regulators”) seeking a variance to the cease trading orders (collectively, the “Cease Trade Orders”) issued by each of the Regulators in respect of securities of Poseidon Concepts Corp. (PSN) to permit the exercise of outstanding put options.

As of March 19, 2013, each of the Regulators had granted an order varying its Cease Trade Order in relation to certain put options. The effect of the variation orders (collectively, the “Variation Orders”) is as follows:

1. put option holders that currently own Poseidon Concepts Corp. common shares may exercise those put options and settle the trades, to the extent of their available shares; and
2. put option exercises that settle in Poseidon Concepts Corp. common shares will only be accepted if the relevant Member provides an affidavit to CDCC, including confirmation of current shareholdings and that the put option holder is not a Poseidon Concepts Corp. insider or any other individual (such as a former director or officer) who is disqualified from relying on the Variation Orders.

If a holder who does not hold sufficient Poseidon Concepts Corp. common shares to make delivery exercises its put option (a “naked” put option), the holder will not be permitted to source Poseidon Concepts Corp. common shares for delivery so long as the Cease Trade Orders remain in effect. Any exercises by such holders will default, the exercise will not settle and the Member will be subject to margin obligations until such time as delivery of Poseidon Concepts Corp. common shares is made in accordance with Section B-412 (Deposit of Security Funds) under the CDCC rules. Members are cautioned that there is no certainty as to when, if ever, such delivery could be made. Members and their affected clients should contact CDCC for further information regarding the exercise and settlement of these options.

Due to the Cease Trade Orders, writers and holders of call options should be aware that Poseidon Concepts Corp. common shares cannot currently be delivered on exercise of the call options. CDCC has not obtained any relief from the Regulators with respect to call options.

Canadian Derivatives Clearing Corporation

The Exchange Tower
130 King Street West, 5th Floor
Toronto, Ontario
M5X 1J2
Tel. : 416-367-2463

800 Victoria Square
3rd Floor
Montréal, Québec
H4Z 1A9
Tel. : 514-871-3545



As noted above, Members will be required to have an affidavit completed for each position holder that wishes to exercise its put option. The format of the affidavit has been prepared and can be obtained by contacting Roger Warner, CDCC's Director, Member Services via e-mail at RWarner@cdcc.ca. A copy of the Variation Orders can also be obtained from Mr. Warner.

Glenn Goucher
President and Chief Clearing Officer

Canadian Derivatives Clearing Corporation

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