

CBOE News Release

CBOE SEALS EXCLUSIVE AGREEMENT WITH 3D MARKETS FOR BENCHMARK-PRICED TRADES WITH "GWAP" OPTIONS PRICING

CHICAGO, May 20, 2008 - The Chicago Board Options Exchange (CBOE), the largest U.S. options marketplace and the creator of listed options, today announced it has signed an exclusive licensing agreement with 3D Markets Inc., a block options crossing network. The agreement will allow CBOE to introduce institutionally oriented "benchmark-priced trades" through 3D's Archangel™ trading software. Under the agreement, the CBOE will provide the regulatory framework necessary for option benchmark trades, including the GWAP™ (Gamma Weighted Average Price) auction and pricing methodologies, which will be proprietary to CBOE.

GWAP benchmark trades will enable CBOE members and customers to match large buy and sell options orders during a special matching session with the execution price subsequently determined at the end of the trading day using the GWAP pricing methodology. Similar to the way in which VWAP* (Volume Weighted Average Price) works in the cash equity markets, the GWAP pricing benchmark will allow execution of institutionally sized options orders at an understandable, fair price that is calculated based on trading activity over a period of time rather than on market conditions at a particular moment.

"We are pleased to have forged an exclusive agreement with 3D Markets. This exciting partnership will enable CBOE to accommodate the liquidity, pricing and anonymity needs of institutional customers in a way that has not previously existed in the listed options market," said CBOE Chairman and CEO William J. Brodsky.

"We are gratified that CBOE saw the need, as we did, for asset managers to access liquidity using an extremely reliable pricing benchmark that also measures option execution quality," said 3D Markets Chairman and CEO David Mortimer.

GWAP trades will be anonymous and can mitigate the market impact that would occur in the normal trading process. Because these orders will be traded on the CBOE and cleared and guaranteed through the Options Clearing Corporation, counterparty risk is eliminated.

"Institutions often have large orders that can be difficult and time consuming to execute," added CBOE Executive Vice President of Business Development Ed Provost. "The GWAP trading process will help institutions avoid the market impact associated with the execution of large orders and eliminate the counterparty risk associated with the OTC market."

"Institutions have become accustomed to relying on benchmarks like VWAP for everything from compliance and transaction cost analysis to algorithms and crossing," said 3D Markets President Jeromee Johnson. "But due to the way options trade and their different market structure, VWAP doesn't work. With those same institutions now coming to the options market in force, we're thrilled to be partnered with the CBOE and working together to meet their demand for innovative products and efficient executions."

Securities and Exchange Commission (SEC) approval is required to post these benchmark-priced trades. The CBOE and 3D Markets plan to deploy the necessary technology and obtain all necessary regulatory approvals in the

coming months. Pending regulatory approval, the companies will announce a formal testing and rollout schedule later this year.

CBOE, the largest U.S. options marketplace and the creator of listed options, is regulated by the Securities and Exchange Commission (SEC). For additional information about the CBOE and its products, visit the CBOE website at: www.cboe.com.

3D Markets, Inc - New Hope, PA, creates and develops software and networks to provide innovative solutions aimed at adding liquidity to existing options markets. GWAP™ and Archangel™ are registered trademarks of 3D Markets, Inc. 3D Markets is the developer of Archangel™, a platform that supports two institutional products, the Blind-Bid Cross and the Benchmark Cross. For more information on 3D Markets and its products, please visit the 3D Markets website at: www.3-dmarkets.com

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