KEY INFORMATION DOCUMENT
(PUT OPTIONS ON CRUDE OIL & REFINED PRODUCTS)

Purpose: This document provides key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product: Put Options on Crude Oil & Refined Products - ICE Futures Europe ("IFEU") -
https://www.ice.com/products/Futures-Options/Energy/Crude-Oil-and-Refined-Products
Examples: Brent Crude Options / Low Sulphur Gasoil Options / WTI Crude Options / Brent 1-Month Calendar Spread Option / Low Sulphur Gasoil 1-Month Calendar Spread Option / Brent Average Price Option
For more information email: Sales-Oil@ice.com
IFEU is a recognised investment exchange supervised by the Financial Conduct Authority.
Reviewed: March 2026

Alert: *You are about to open a position in a product which is not simple and may be difficult to understand.*

What is this product?

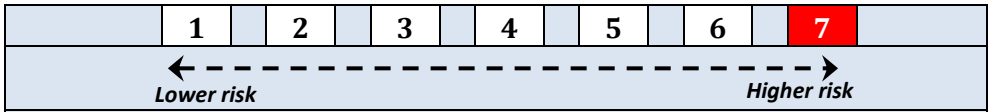
Type: Derivative. Put Options on **Crude Oil & Refined Products** are considered to be derivatives under Annex I, Section C of **MiFID 2014/65/EU**.

Objectives
A Put Option on Crude Oil & Refined Products **(henceforth "Oil Put Options")** is a derivative contract based on either a deliverable quantity of a particular type of crude oil or refined product, or a financial index only giving rise to the payment or liability to payment of the outturn of an average index price against the traded value of the commodity contract **("Index or Assessment").** In the former case, Oil Put Options are physically settled derivatives. In that case, an Oil Put Option gives the **buyer** the right, but not the obligation, during the fixed period stated in the contractual terms, to sell the underlying Oil Future at a pre-determined price (strike price). **Sellers** (writers) of an Oil Put Option take on an obligation to take delivery of the underlying Oil Future, if the Oil Put Option is exercised by the buyer. IFEU Oil Put Options are American-style. Each option series has a maturity date ("**Last Trading Day**"), after which the product will expire. You can close your position on any trading day up to and including the Last Trading Day. If you (as a **buyer**) 'opened' a position by buying an Oil Put Option, you sell the same contract to 'close' your position. If you (as a **seller**) 'opened' a position by selling an Oil Put Option, you buy the same contract to 'close' your position.
Factors that impact an Oil Put Option's value include, but are not limited to, the strike price, time until expiration and value of the underlying Oil Future. Oil Put Options may in certain circumstances be unilaterally terminated by IFEU and may be terminated by ICE Clear Europe Ltd **("ICEU")** following an event of default of a Clearing Member or invoiced back (see "What happens if ICE Futures Europe is unable to pay out?" below). Oil Put Options will (unless you choose to close the position beforehand) automatically expire on the expiry date.

Intended retail investor
Oil Put Option products are not designed to be marketed to a specific type of investor or to fulfil a specific investment objective or investment strategy. A retail investor should become familiar with the characteristics of this product to make an informed decision on whether or not the product fits their investment needs. If in doubt, a retail investor should contact their broker or investment adviser to obtain investment advice.

What are the risks and what could I get in return?

Risk indicator:



Summary Risk Indicator: 7

The risk indicator assumes that an option is held until its expiration. The actual risk can vary significantly if you cash in at an early stage and you may get back less. Some options and options strategies have limited risk, but some can be high risk. Events, such as early closure of the position, may significantly impact the value of an option.

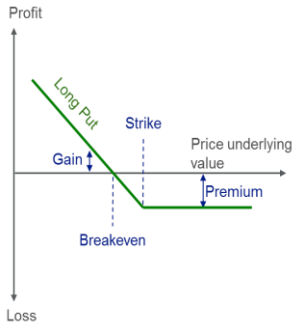
- The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets. We have classified this product as **7 out of 7**, which is the highest risk class. This rates the potential losses from future performance at a very high level.
- **Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**
- In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**
- This product does not include any protection from future market performance so you could lose some or all of your investment.
- If ICEU (see "What happens if ICE Futures Europe is unable to pay out?" below) or any intermediary is not able to pay you what is owed you could lose your entire investment.

- **The risk and reward profile of an Oil Put Option depends on its terms, but will involve the following considerations: Buyers** of Oil Put Options can incur a maximum loss equal to the price of the option premium, plus any transaction costs. **Sellers (writers)** of Oil Put Options take on an obligation to take delivery of the underlying Oil Future on or before the Last Trading Day if the Oil Put Option is exercised. Sellers can incur unlimited losses. **Buying or selling options can be high risk and requires extensive product knowledge.** The profit or loss potential of an Oil Put Option on the expiration date depends on the exercise price and the premium paid by a Buyer or the premium received by a Seller. The price of the Oil Put Option premium depends on several factors, such as the price movement of the underlying Oil Future or Index price, time remaining to expiry and the market expectations on volatility. Additionally, the potential for profit or loss of the Oil Put Option position depends highly on the way the position is used, e.g. Oil Put Options can be traded as a risk management tool to hedge other investments or as a stand-alone investment.
- This product can expose a retail investor to unlimited liabilities in certain circumstances and can be used for a variety of purposes e.g. for hedging/risk management or as a stand-alone instrument. This is a complex product and is only likely to be appropriate for the most experienced, sophisticated and knowledgeable types of investors.

Performance scenarios

These graphs illustrate how your investment could perform. You can compare them with the pay-off graphs of other derivatives products in different Key Information Documents.

The graphs presented give a range of possible outcomes and are not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop. For each value of the underlying, the graphs show what the profit or loss of the product would be. The horizontal axis shows the various possible prices of the underlying Oil Put Option on the expiry date and the vertical axis shows the profit or loss.



Buy Put Option on Oil Future:

Transaction: Buy Oil Put Option, for example American-style on Brent Crude Future.

Investment: Put Option premium amount and margin is also required.

Margin: Initial margin plus variation margin to mark-to-market prices on a daily basis. Initial margin percentages may change as per ICE Clear Europe Rules. See https://www.ice.com/clear-europe/risk-management for more detail.

Market expectation: Falling market. Buying this product holds that you think the price will decrease i.e. oil prices will fall.

Profit/loss calculation: The profit or loss at expiration is calculated as follows:

Step one: Take the Oil Put Option's strike price minus the price of the underlying value. When the result of this calculation is a negative figure, the result is set at zero.

Step two: Take the result of Step one and subtract the premium paid to buy the Oil Put Option.

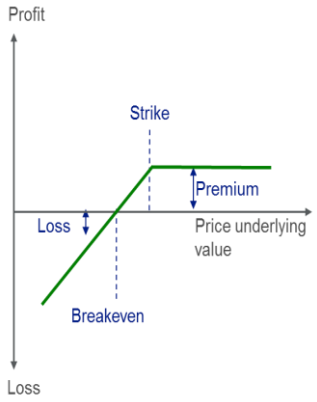
Step three: The previous calculation determines the result per unit of the underlying value, but the total profit or loss of an Oil Put Option contract depends on the monetary value of the tick size, or minimum price movement, of the contract. The total profit or loss of an Oil Put Option is therefore calculated by multiplying the value of Step two by the relevant tick size. In the case of Put Options on Brent Futures, this is $10.

Profit and loss characteristics:

Profit: Unlimited

Loss: Your maximum loss would be that you will lose all your investment (premium paid) plus transaction costs.

Break-even: When the price of the underlying Oil Future is at a level that would be equal to the strike price less the same amount as the premium paid to establish the position.



Sell Put Option on Oil Future:

Transaction: Sell Oil Put Option, for example American-style on Brent Crude Future.

Investment: None, but margin is required.

Margin: Initial margin plus variation margin to mark-to-market prices on a daily basis. Initial margin percentages may change as per ICE Clear Europe Rules. See https://www.ice.com/clear-europe/risk-management for more detail.

Market expectation: Rising market. Selling this product holds that you think the price will increase i.e. oil will go up.

Profit/loss calculation: The profit or loss at expiration is calculated as follows:

Step one: Take the Oil Put Option's strike price minus the price of the underlying value. When the result of this calculation is a negative figure, the result is set at zero.

Step two: Take the premium received and subtract the result of Step one.

Step three: The previous calculation determines the result per unit of the underlying value, but the total profit or loss of an Oil Put Option contract depends on the monetary value of the tick size, or minimum price movement, of the contract. The total profit or loss of an Oil Put Option is therefore calculated by multiplying the value of Step two by the relevant tick size. In the case of Put Options on Brent Futures, this is $10.

Profit and loss characteristics:

Profit: Limited to the premium received from selling the Oil Put Option.

Loss: Your maximum loss is unlimited and you may lose all of your investment and be required to make additional payments significantly exceeding the initial margin payment.

Break-even: When the price of the underlying Oil Future is at a level that would be equal to the strike price less the same amount as the premium received from selling the Oil Put Option.

Buying or selling an Oil Put Option is one of the ways that you can take a 'long' or 'short' Oil Future position and depends on the investor's individual trading strategy.

The scenarios shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The scenarios do not take into account your personal tax situation, which may also affect how much you get back.

What happens if ICE Futures Europe is unable to pay out?

IFEU is not responsible for paying out under the investment. All derivatives traded on IFEU are centrally cleared by ICEU. IFEU and ICEU are not within the jurisdiction of the UK Financial Services Compensation Scheme. In the event of a default by ICEU or your intermediary your position may become subject to ICEU's default procedures in accordance with its clearing rules, which may ultimately expose you to a risk of financial loss. It is possible that you may be included in any other compensation scheme depending on the exchange trading participant/member, clearing member, broker or other intermediary involved in a retail derivative transaction concerning this product. If you are in any doubt as to your position you should seek independent professional advice.

What are the costs?

Costs over time and Compositions of Costs:
ICE Futures Europe charges fees which are applied to the Clearing members. The full fee schedule is available on our website Exchange & Clearing Fees. The person selling you or advising you about this product may pass on IFEU and ICEU charges and charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time. Further or associated costs may be charged to retail investors by the exchange trading participant/member, brokers or other intermediaries involved in a retail derivative transaction.

How long should I hold it and can I take money out early?

There is no recommended holding period for this product. Oil Put Options can be held until expiration (Last Trading Day) or positions can be closed out on any trading day up to and including the Last Trading Day. Whether or not retail investors choose to do so will depend on their investment strategy and risk profile.

- ✓ A long Oil Put Option position (i.e. a position opened by buying an Oil Option) can be closed by entering a sell order (e.g. by giving the relevant instructions to your broker) in the market on any trading day up to and including the Last Trading Day.
- ✓ A short Oil Put Option position (i.e. a position opened by selling an Oil Option) can be closed by entering a buy order (e.g. by giving the relevant instructions to your broker) in the market on any trading day up to and including the Last Trading Day.

How can I complain?

Retail investors should address complaints to the broker or intermediary with whom the investor has a contractual relationship in relation to this product or to the IFEU Complaints Handling Officer. Complaints must be made in writing to: The Complaints Handling Officer, ICE Futures Europe, 2nd Floor, Sancroft, Rose St, Paternoster Sq., London EC4M 7DQ, or can be emailed to: ICEFuturesEurope-Complaints@ice.com. See https://www.ice.com/futures-europe/regulation for full details of IFEU's Complaints Handling Procedures.

Other relevant information

Contract specifications setting out key details of all Crude Oil and Refined product Put Options traded on our markets are published on IFEU's website:
https://www.ice.com/products/Futures-Options/Energy/Crude-Oil-and-Refined-Products
Examples: Brent Crude American-Style Option / Low Sulphur Gasoil American-Style Option / WTI Crude American-Style Option

Please see the Contract Rules and Procedures for further details (https://www.ice.com/futures-europe/regulation). No portion of this document is, or is intended to be, addressed to persons outside the European Economic Area ("EEA") and/or the United Kingdom ("UK").

EEA Persons Only

IFEU has produced this document in order to provide a more efficient basis for compliance with Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for exchange trading participants/members. To the extent permitted under the PRIIPs Regulation, IFEU undertakes no duty of care for the contents of this document and makes no warranty, representation or undertaking as to its accuracy. IFEU has not considered the specific circumstances of any 'retail investor' (as that term is defined in the PRIIPs Regulation) ("**EEA Retail Investors**"). EEA Retail Investors should only trade in this product based on their own assessment of the risks and should take their own financial, tax and legal advice. Any person making products to which this document relates available to an EEA Retail Investor is responsible for verifying whether this document is sufficient for their purposes or their clients' purposes, for adding any further disclosures as may be required for their clients and for assessing the suitability and appropriateness for their clients of any products traded on IFEU. IFEU does not admit any members that are EEA Retail Investors, and this document is only relevant to you if you have been offered trading in products traded on IFEU by a third party. IFEU is not responsible for the actions of any such third parties, and to the extent possible under applicable law, IFEU excludes all liabilities in relation to IFEU-traded products offered to EEA Retail Investors by any such third party. IFEU is not a 'PRIIP manufacturer' (as that term is defined in the PRIIPs Regulation) with respect to any offer to EEA Retail Investors in any EEA Member State other than those in which English is an official language or otherwise where a translated key information document in an official language of that EEA Member State is produced on IFEU's website.