

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: October 8, 2007

Subject: TXU Corporation (TXU) Pending Merger

On Friday, September 7, 2007, the shareholders of TXU Corporation (TXU) voted to approve the proposed merger with Texas Energy Future Holdings Limited. Pursuant to the merger terms each TXU share will be converted into the right to receive \$69.25 cash. **The merger is anticipated to become effective prior to the opening of business on Wednesday, October 10, 2007.**

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding TXU options will be adjusted as follows:

EFFECTIVE DATE: Wednesday, October 10, 2007
NEW DELIVERABLE: \$6,925.00 cash per contract (\$69.25 x 100)

Existing open interest in all TXU options will remain until options are exercised or expire. Since they are American style options, they are exercisable at the option of the holder.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.