



Information Circular: United States Oil Fund L.P.

To: Head Traders, Technical Contacts, Compliance Officers, Head of ETF Trading, Structured Products Traders

From: William Slattery, Director, NASDAQ Listing Qualifications Department

DATE: March 5, 2007

The NASDAQ Stock Market LLC ("NASDAQ") began operating as a national securities exchange for trading non-NASDAQ listed securities on February 12, 2007. As a result, units of the United States Oil Fund (USO), which previously traded over-the-counter on our systems, will be traded by NASDAQ as an exchange on an unlisted trading privileges (UTP) basis for the first time.

Background Information on the Fund

As more fully explained in the Registration Statement (No. 333-124950) for the United States Oil Fund, L.P. (the "Fund"), the Fund is designed to track the performance of the spot price of West Texas Intermediate light, sweet crude oil delivered to Cushing, Oklahoma (the "WTI light, sweet crude oil"). Each Unit of the Fund (the "Unit" or "Units") represents a fractional undivided beneficial interest in the net assets of the Fund. The Fund is not registered as an investment company under the Investment Company Act of 1940.

The Fund is a Delaware limited partnership that was formed in May 2005 and operated by Victoria Bay Asset Management, LLC, a single member Delaware limited liability company (the "General Partner" or "Victoria Bay"). The General Partner is wholly owned by Wainwright Holdings, Inc. The General Partner is a registered commodity pool operator ("CPO") with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA"). Brown Brothers Harriman & Co. (the "Administrator") is the administrator and custodian for the Fund and ALPS Distributors, Inc. (the "Marketing Agent") is the marketing agent for the Units of the Fund. ABN AMRO (the "Clearing Broker") is the clearing broker for the execution and clearing of the futures contracts of the Fund.

The investment objective of the Fund is for its net asset value ("NAV") to reflect the performance of the spot price of WTI light, sweet crude oil less the expense of operation. The assets of the Fund consist of futures contracts for light, sweet crude oil and other petroleum-based fuels that are traded on the New York Mercantile Exchange ("NYMEX") or other U.S. and foreign exchanges (collectively, "Oil Futures Contracts"). The Fund may also invest in other oil interests, such as cash settled options on Oil Futures Contracts, forward contracts for oil, and OTC transactions that are based on the price of oil, other petroleum-based fuels, Oil Futures Contracts and

indices based on the foregoing (collectively, "Other Oil Interests") (Oil Futures Contracts and Other Oil Interests are collectively referred to as "Oil Interests"). The Fund will also hold short-term U.S. Treasury securities ("Treasuries") to satisfy its current or future margin and collateral requirements and to otherwise satisfy its obligations with respect to its investments in Oil Interests.

The Fund will pursue its investment objective by investing its assets in Oil Interests without leverage. The Fund will manage its investments so that its NAV closely tracks the price of the "Benchmark Oil Futures Contract" that the General Partner believes has historically exhibited a close price correlation with the spot price of WTI light, sweet crude oil. Currently, the Benchmark Oil Futures Contract is the NYMEX traded near-month (i.e., spot month) futures contract for delivery of WTI light, sweet crude oil.

As described more fully in the prospectus and the registration statement for the Fund, the Fund issues Units on a continuous basis. The Fund issues and redeems Units only in blocks of 100,000 Units or integral multiples thereof to Authorized Participants. A block of 100,000 Units is called a "Basket." These transactions will be in exchange for a Deposit Amount equal to 100,000 multiplied by the net asset value ("NAV") per Unit of the Fund determined on each business day by the Administrator. The Administrator will determine the Deposit Amount for a given business day by multiplying the NAV for each Unit by the number of Units in each Basket. Only registered broker-dealers or other market participants, such as banks and other financial institutions that are exempt from broker-dealer registration, that become Authorized Participants by entering into a participant agreement with the General Partner and the Fund may purchase or redeem Baskets. Units will be offered to the public at prices that will reflect, among other things, the spot price of WTI light, sweet crude oil and the trading price of the Units at the time of the offer. Market prices for the Units may be different from the NAV per Share. Except when aggregated in Baskets, Units are not redeemable securities.

The NAV of the Fund is obtained by subtracting the Fund's expenses and liabilities on any day from the value of the Fund's assets. The NAV will be calculated shortly after the close of trading on the American Stock Exchange ("Amex") using the settlement value of Oil Futures Contracts traded on the NYMEX as of the earlier of the close of open-outcry of trading on the NYMEX (currently at 2:30 p.m. ET) or 4:00 p.m. ET, and for the value of other Oil Futures Interests and Treasuries, the value of such investments as of the earlier of 4:00 p.m. ET or the close of trading on the New York Stock Exchange. The NAV is calculated by including any unrealized profit or loss on Oil Futures Contracts and other Oil Interests and any other credit or debit accruing to the Fund but unpaid or not received. The NAV per Unit is obtained by dividing the NAV of the Fund on a given day by the number of Units outstanding on that date. The Administrator will value all Oil Futures Contracts based on that day's settlement price. However, if an Oil Futures Contract on a trading day cannot be liquidated due to the operation of daily limits or other rules of an exchange upon which such futures contract is traded, the settlement price on the most recent trading day on which such Oil Futures Contract could have been liquidated will be used in determining NAV. The value of the Other Oil Interests will be valued based upon a determination of the Administrator as to their fair market value.

Shortly after 4:00 p.m. ET each business day, the General Partner will determine and disseminate the Deposit Amount for orders placed by Authorized Participants by 12:00 p.m. ET that day. To receive the NAV of the Units on that business day, a

purchase order must be received by 12:00 p.m. ET. Delivery of the Deposit Amount must occur by the third business day following the purchase order date (T+3). Purchase orders placed by 12:00 p.m. ET are irrevocable. Baskets are then issued as of 12:00 p.m. ET, on the business day immediately following the purchase order date (T+1) at the NAV per share on the purchase order date if the required payment has been timely received. The Administrator will also at the same time determine an "Estimated Deposit Amount" that Authorized Participants can use as an indicative amount of Treasuries and cash to be deposited for issuance of the Units on the next business day. The Deposit Amount, the Estimated Deposit Amount and the NAV are communicated by the Administrator to all Authorized Participants via facsimile or electronic mail message and will be available on the Fund's website at <http://unitedstatesoilfund.com>. The most recently reported NAV for the Units will also be available on Amex's website (www.amex.com). NASDAQ will provide a link from its website at www.nasdaq.com to the Fund's website and Amex's website.

The Fund's expense ratio, in the absence of any extraordinary expenses and liabilities, is expected to be 1.25% of the net assets of the Fund for assets of up to \$1 billion and 0.90% of net assets of the Fund if assets are greater than \$1 billion.

DTC serves as the securities depository for the Units, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Units of the Fund.

The registration statement for the Fund describes the various fees and expenses for the Units. For a complete description of the Fund, visit <http://unitedstatesoilfund.com>.

Indicative Fund Value

In order to provide updated information relating to the Fund for use by investors, professionals and persons wishing to create or redeem Units, the Amex disseminates through the facilities of Consolidated Tape Association ("CTA"), an updated Indicative Partnership Value (the "Indicative Partnership Value"). The Indicative Partnership Value is disseminated on a per Unit basis every 15 seconds during regular Amex trading hours of 9:30 a.m. to 4:15 p.m. ET under the index symbol "UOI." The Indicative Partnership Value is calculated based on the Treasuries and cash required for creations and redemptions (i.e. NAV per Share x 100,000) adjusted to reflect the price changes of the current benchmark Oil Futures Contract. The Indicative Partnership Value will not reflect price changes to the price of the current Benchmark Oil Futures Contract between the close of open-outcry trading on the NYMEX at 2:30 p.m. ET and the open of trading on the NYMEX ACCESS market at 3:15 p.m. ET. The value of a Unit may accordingly be influenced by non-concurrent trading hours between NASDAQ and the NYMEX. The Indicative Partnership Value on a per Unit basis disseminated during Amex trading hours should not be viewed as a real time update of the NAV, which is calculated only once a day by the Administrator.

Creation and Redemption of Units

The Fund issues and redeems Units on a continuous basis only in Baskets of 100,000 Units or multiples thereof, by or through Authorized Participants. Basket Aggregations are issued in exchange for the corresponding Deposit Amount determined on each business day by the Administrator. The Deposit Amount necessary for the creation of a Basket will change from day to day. On each day that

the Amex is open for regular trading, the Administrator will adjust the Deposit Amount as appropriate to reflect the prior day's Partnership NAV and accrued expenses. Authorized Participants that wish to redeem a Basket will receive Treasuries and cash in exchange for each Basket surrendered in an amount equal to the NAV per Basket (the "Redemption Amount"). These items are described in the Fund's prospectus and registration statement.

Authorized Participants that wish to purchase a Basket must transfer the Deposit Amount plus a transaction fee of \$1,000 to the Fund in exchange for a Basket. No Units will be issued unless and until the Administrator has informed the Marketing Agent that it has allocated to the Fund's account the required funds necessary for the Deposit Amount plus transaction fee. Authorized Participants who wish to redeem a Basket will receive the Redemption Amount in exchange for each Basket surrendered less the transaction fee of \$1,000. The Redemption Amount will be delivered to the Authorized Participant upon confirmation that the Fund's DTC Account has received the Basket.

The Administrator will provide an Estimated Deposit Amount for the next business day. Authorized Participants may use the Estimated Deposit Amount as guidance regarding the amount of Treasuries and cash expected to deposit with the Administrator. Before 4:00 p.m. ET, the Authorized Participants may use the Estimated Deposit Amount as guidance in respect of the Deposit Amount that they may expect to be required to deposit in connection with the issuance of Units - the next business day.

The Fund's prospectus and registration statement describe additional procedures and requirements that apply to the creation and redemptions of Units. NASDAQ members interested in becoming an Authorized Participant, or obtaining a list of Authorized Participants, can contact the Marketing Agent at www.alpsinc.com for more information.

Oil Futures Contracts

The Fund purchases Oil Futures Contracts traded on the NYMEX on WTI light, sweet crude oil and may also purchase Oil Futures Contracts traded on NYMEX based on Brent crude oil. In addition to the commodities and futures exchanges in New York and London, several other established futures exchanges currently offer, or have announced plans to offer, trading in futures contracts on light, medium, or heavy crude oils, including the TOCOM as well as exchanges in Shanghai and Dubai. The Fund may in the future invest in such contracts.

As noted above, the Benchmark Oil Futures Contract has closely tracked the investment objective of the Fund over the short-term, medium-term and the long-term. For that reason, the General Partner of the Fund anticipates making significant investments in the current Benchmark Oil Futures Contract. The General Partner also believes that Other Oil Futures Contracts, such as Brent crude oil futures contracts traded on the NYMEX and ICE Futures, the Dubai crude oil futures contract traded on the TOCOM and elsewhere, and other NYMEX petroleum-based futures contracts such as heating oil and gasoline, also tend to track the investment objective of the Fund. The General Partner in managing the Fund may seek to invest in these contracts.

Oil-Related Listed Options and OTC Derivatives

The Fund may also invest in oil-related listed options and OTC derivatives in pursuing its investment objective. The OTC market in oil-based derivatives is especially active worldwide. OTC derivative transactions are privately-negotiated agreements between two (2) parties. Unlike exchange-traded instruments, each party to an OTC contract bears the credit risk that the counterparty may not be able to perform its obligations.

Some oil-based derivatives transactions contain fairly generic terms and conditions and are available from a wide range of participants. Other oil-based derivatives have highly customized terms and conditions and are not as widely available. Many of these OTC contracts are cash-settled forwards for the future delivery of oil or petroleum based fuels that have terms similar to Oil Futures Contracts. Others take the form of "swaps" in which the two (2) parties exchange cash flows based on predetermined formulas tied to the price of oil as determined by the spot, forward or futures markets. The Fund may enter into OTC derivative contracts whose value will be tied to changes in the difference between the WTI spot price, the price of Oil Futures Contracts traded on NYMEX and the prices of non-NYMEX Oil Futures Contracts that may be invested in by the Fund.

To protect itself from the credit risk that arises in connection with such contracts, the Fund will enter into agreements with each counter party that provide for the netting of its overall exposure to its counterparty and/or provide collateral or other credit support to address the Fund's exposure. The creditworthiness of each potential counter party will be assessed by the General Partner. Existing counterparties will also be reviewed periodically by the General Partner. The Fund anticipates that the use of Other Oil Interests together with its investments in Oil Futures Contracts will produce price and total return results that closely track the investment objective of the Fund.

Impact of Speculative Position Limits

The CFTC and U.S. futures exchanges, such as the NYMEX, have established limits or position accountability rules (i.e., speculative position limits or position limits) on the maximum net long or net short speculative position that any person or group of persons under common trading control (other than a hedger) may hold, own or control in commodity interests. Speculative position limits are intended, among other things, to prevent a corner or squeeze on a market or undue influence on prices by any single trader or group of traders. Speculative position limits will impact the mix of investments by the Fund with such mix varying depending on the accumulation of assets. Once the speculative position limits for the current Benchmark Oil Futures Contract are reached, the Fund will be required to invest in other Oil Futures Contracts and other Oil Interests.

Investment Risks

NASDAQ members are referred to the Fund's prospectus and registration statement for a description of risks associated with an investment in the Units of the Fund. The Units are created to reflect the performance of the spot price of WTI light, sweet, crude oil as measured by the current Benchmark Oil Futures Contract. As such, these risks include:

- The market price of the Units will be subject to fluctuations similar to those affecting the current Benchmark Oil Futures Contract.
- Investing in the Units is subject to the risks of the oil industry and this could result in large fluctuations in the price of the Units.
- The Fund does not expect to make cash distributions.
- The Fund and its general partner may have conflicts of interest, which may permit them to favor their own interest to Unit holder's detriment.
- Owners of the Units will not have the protections normally associated with the ownership in an investment company registered under the Investment Company Act of 1940 but will have the protections afforded by the Commodity Exchange Act to investors in CFTC-regulated commodity pools.
- If certain events occur, as described in the prospectus, at any time, the General Partner will be required to terminate the Fund, otherwise the Fund will continue in perpetuity.
- Units trade at market prices that may differ from NAV.
- The NAV of the Units will fluctuate with changes in the market value of the Fund's assets.
- The trading prices of the Units will fluctuate in accordance with changes in the NAV as well as market supply and demand.
- The amount of the discount or premium in the trading price relative to the NAV per Unit may be influenced by non-concurrent trading hours between the NYMEX and the NYSE Arca.
- There is no regulated source of last sale information regarding physical commodities.
- There is no direct regulation of the market in physical oil-based commodities and no SEC jurisdiction over the trading of WTI, light, sweet crude oil, Brent crude oil, heating oil, gasoline, natural gas or other petroleum-based fuels as a physical commodity.
- The CFTC has regulatory jurisdiction over the trading of oil-based futures contracts and related options but trading in certain OTC commodity based derivatives is not within the jurisdiction of the CFTC and may therefore be effectively unregulated.

See the Registration Statement for more detail regarding these risks factors and for additional risk factors.

Exchange Rules Applicable to Trading in the Units

Trading in the Units on NASDAQ is subject to [NASDAQ equity trading rules](#). In particular, market makers in the Units of the Trust should note that they are subject to NASDAQ Rule 4630. Under that rule:

Information Barriers — Market Makers must establish adequate information barriers when engaging in inter-departmental communications and should refer to the NASD/NYSE Joint Memo on Chinese Wall Policies and Procedures in [NASD Notice to Members 91-45](#) for guidance on the minimum elements of adequate information barriers. For purposes of the Units only, "inter-departmental" communications include communications to other departments within the same firm or the firm's affiliates that involve trading in an underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives. Market Makers are also responsible for establishing

adequate written supervisory procedures regarding these and other commodity-related securities in which they make markets.

Market Maker Accounts — Market Makers will be required to file and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives, that the Market Maker may have or over which it may exercise investment discretion. No Market Maker shall trade in an account that has not been reported as required by Rule 4630.

Books and Records — Market Makers will be required to make available to NASDAQ Regulation such books, records or other information pertaining to transactions in the underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives, as may be requested by NASDAQ Regulation.

Material Non-Public Information — In connection with trading the Units or the underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives, Market Makers will not be permitted to use any material non-public information received from any person associated with the Market Maker or employee of such person regarding trading by such person or employee in the underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives.

Market Makers currently trading these Units must complete the [Market Maker Disclosure Report for Commodity-Related Securities form](#) and establish written supervisory procedures for trading these Units.

Trading Hours

The indicative partnership value is disseminated to data vendors every 15 seconds. The Units will trade on NASDAQ between 9:30 a.m. and 4:00 p.m. Eastern Time.

Suitability

Trading in the Units on NASDAQ will be subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in the Units to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in the NASDAQ Conduct Rules.

Members also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Trading Halts

NASDAQ will halt trading in the Units in accordance with [NASDAQ Rule 4120](#). The grounds for a halt under NASDAQ Rule 4120 include a halt by the primary market because dissemination of the Indicative Partnership Value of the Units and/or the underlying value of Oil Futures Contracts has ceased, or a halt for other regulatory reasons. In addition, NASDAQ will stop trading the Units if the primary market delists the Units.

Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Units and anyone purchasing Units directly from the Fund (by delivery of the Cash Deposit Amount) must receive a prospectus. Members purchasing Units from the Fund for resale to investors will deliver a prospectus to such investors.

Prospectuses may be obtained through the Marketing Agent at www.alpsinc.com or on the Fund's website at <http://unitedstatesoilfund.com>. The prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). For further information about the Fund, please refer to its registration statement.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the Units.

Short Sale Rules

Transactions in the Units will not be subject to "tick" requirements of the SEC short sale rule (SEC Rule 10a-1) or the "bid" requirements of the NASDAQ short sale rule ([NASDAQ Rule 3350](#)). Short orders must be marked SHORT or SHORT EXEMPT. (See paragraph below regarding Rule 200(g) of Regulation SHO.)

Rule 200(g) of Regulation SHO

The SEC Division of Market Regulation has stated that the Division will not recommend enforcement action under Rule 200(g) of Regulation SHO if a broker-dealer marks "short" rather than "short exempt" a short sale effected in the Funds, subject to specified conditions, including that a broker-dealer executing exempt short sales will mark such sales as "short" and in no event will such sales be marked "long". (See letter from James A. Brigagliano, Assistant Director, Division of Market Regulation, SEC, to Ira Hammerman, Senior Vice President and General Counsel, Securities Industry Association, dated January 3, 2005.)

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

Under a No-Action Letter issued by the SEC's Division of Market Regulation (the "Division") dated April 7, 2006 ("No-Action Letter"), the Fund is exempted under paragraph (d) of Rule 101, permitting persons who may be deemed to be participating in a distribution of the Units to bid for or purchase Units during their participation in such distribution. The No-Action Letter also exempted the Fund under paragraph (e) of Rule 102, permitting the Fund and its affiliated purchasers to redeem Units in Baskets during the continuous offering of the Units.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Baskets) that engage in both proprietary and customer transactions in Units in the secondary market. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the Units to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(I)(5)(A), (B) or (C). The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Units, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on Units that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

The SEC has also taken a no-action position under Section 11(d) of the Exchange Act if an Authorized Participant ("AP") extends or maintains or arranges for the extension or maintenance of credit on Units in reliance on the class exemption granted in the Letter re: Derivative Products Committee of the Securities Industry Association ("SIA") (November 21, 2005), provided (1) that the AP does not receive from the Trust, directly or indirectly, any payment, compensation or other economic incentive to promote or sell the Units to persons outside the Fund, other than non-cash compensation permitted under NASD Rule 2830(I)(5)(A), (B), or (C); and (2) the AP does not extend, maintain or arrange for the extension or maintenance of credit to or for a customer on Units before thirty days from the start of trading in the Units

(except as otherwise permitted pursuant to Rule 11d1-1). (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

The exemptions from Rule 10a-1 and Rules 101 and 102 of Regulation M and no-action positions taken under Rule 200(g) of Regulation SHO, Section 11(d)(1) and Rule 11d1-2 are subject to the condition that such transactions in Units or any related securities are not made for the purpose of creating actual, or apparent, active trading in or raising or otherwise affecting the price of such securities. NASDAQ members are referred to the full text of the No-Action Letter for additional information.

This Information Circular is not a statutory prospectus. NASDAQ members should the Fund's Registration Statement (No. 333-124950), the prospectus, and the Fund's website at www.unitedstatesoilfund.com for relevant information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Director, NASDAQ Listing Qualifications, at 301.978.8088
- NASDAQ Office of General Counsel at 301.978.8400
- NASDAQ Market Sales at 800.846.0477