

United States Short Oil Fund, LP
Form 424B3
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UNITED STATES SHORT OIL FUND, LP

Supplement dated December 30, 2011

to

Prospectus dated April 29, 2011

This supplement contains information, which amends, replaces, supplements or modifies certain information contained in the Prospectus of United States Short Oil Fund, LP dated April 29, 2011. Please read it and keep it with your Prospectus for future reference.

Effective July 1, 2011, the General Partner made certain changes to the fees paid by Authorized Purchasers in connection with the creation of Creation Baskets and the redemption of Redemption Baskets. Such fee changes will continue in effect until the period ended *May 1, 2012*.

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The sixth sentence of the first paragraph is amended as follows:

Authorized purchasers will pay a transaction fee of \$350 for each order placed to create one or more baskets.

Breakeven Analysis (page 8)

Footnote 2 of the Breakeven Analysis is amended as follows. The change in the footnote did not change the number in the corresponding table:

- 2) Authorized Purchasers are required to pay a Creation Basket fee of \$350 for each order they place to create one or more baskets. An order must be at least one basket, which is 100,000 units. This breakeven analysis assumes a hypothetical investment in a single unit so the Creation Basket fee for purposes of this breakeven analysis is \$.01 (350/100,000).

The Offering - Creation and Redemption (page 9)

The Creation and Redemption provision under the heading The Offering is deleted and replaced with the following:

Authorized Purchasers pay a \$350 fee for each order to create or redeem one or more Creation Baskets or Redemption Baskets. Authorized Purchasers are not required to sell any specific number or dollar amount of units. The per unit price of units offered in Creation Baskets on any particular day is the total NAV of USSO calculated shortly after the close of the core trading session on the NYSE Arca on that day divided by the number of issued and outstanding units.

Who is the General Partner? (pages 30-36)

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The last paragraph of Who is the General Partner? is replaced with the following:

The following are individual Principals, as that term is defined in CFTC Rule 3.1, for the General Partner: Nicholas Gerber, Melinda Gerber, the Gerber Family Trust, the Nicholas and Melinda Gerber Living Trust, Howard Mah, Andrew Ngim, Robert Nguyen, Peter Robinson, Gordon Ellis, Malcolm Fobes, John Love, Ray Allen, John Hyland, Wainwright Holdings Inc. and Margaret Johnson. These individuals are Principals due to their positions, however, Nicholas Gerber and Melinda Gerber are also Principals due to their controlling stake in Wainwright. None of the Principals owns or has any other beneficial interest in USSO. Ray Allen and John Hyland make trading and investment decisions for USSO. John Love and Ray Allen execute trades on behalf of USSO. In addition, Nicholas Gerber, John Hyland, Robert Nguyen, and Ray Allen are registered with the CFTC as Associated Persons of the General Partner and are NFA Associate Members.

What is USSO's Investment Strategy? (pages 63-64)

The first line of the second paragraph of page 63 under the section "What is USSO's Investment Strategy" is amended as follows:

As an example, assume that a Creation Basket is sold by USSO, and that USSO's closing NAV per unit is \$50. In that case, USSO would receive \$5,000,000 in proceeds from the sale of the Creation Basket (\$50 NAV per unit multiplied by 100,000 units, and ignoring the Creation Basket fee of \$350).

Marketing Agent and Authorized Purchasers (page 79)

The first paragraph of the "Marketing Agent and Authorized Purchasers" is replaced with the following:

The offering of USSO's units is a best efforts offering. USSO continuously offers Creation Baskets consisting of 100,000 units through the Marketing Agent, to Authorized Purchasers. Deutsche Bank Securities Inc. was the initial Authorized Purchaser. The initial Authorized Purchaser purchased the initial Creation Baskets of 100,000 units at a price per unit equal to \$50. Authorized Purchasers pay a \$350 fee for each order to create one or more Creation Baskets. The Marketing Agent receives, for its services as marketing agent to USSO, a marketing fee of 0.06% on assets up to the first \$3 billion and 0.04% on assets in excess of \$3 billion, provided, however, that in no event may the aggregate compensation paid to the Marketing Agent and any affiliate of the General Partner for distribution-related services in connection with this offering of units exceed ten percent (10%) of the gross proceeds of this offering.

Creation and Redemption of Units (pages 81-82)

The second paragraph under the heading "Creation and Redemption of Units" is deleted and replaced with the following:

Authorized Purchasers are the only persons that may place orders to create and redeem baskets. Authorized Purchasers must be (1) registered broker-dealers or other securities market participants, such as banks and other financial institutions, that are not required to register as broker-dealers to engage in securities transactions as described below, and (2) DTC Participants. To become an Authorized Purchaser, a person must enter into an Authorized Purchaser Agreement with the General Partner. The Authorized Purchaser Agreement provides the procedures for the creation and redemption of baskets and for the delivery of the Treasuries and any cash required for such creations and redemptions. The Authorized Purchaser Agreement and the related procedures attached thereto may be amended by USSO, without the consent of any limited partner or unitholder or Authorized Purchaser. Authorized Purchasers pay a transaction fee of \$350 to USSO for each order they place to create or redeem one or more baskets. Authorized Purchasers who make deposits with USSO in exchange for baskets receive no fees, commissions or other form of compensation or inducement of any kind from either USSO or the General Partner, and no such person will have any obligation or responsibility to the General Partner or USSO to effect any sale or resale of units.

Creation and Redemption Transaction Fee (page 85)

The "Creation and Redemption Transaction Fee" section is deleted and replaced with the following:

Creation and Redemption Transaction Fee

To compensate USSO for its expenses in connection with the creation and redemption of baskets, an Authorized Purchaser is required to pay a transaction fee to USSO of \$350 per order to create or redeem baskets. An order may include multiple baskets. The transaction fee may be reduced, increased or otherwise changed by the General Partner. The General Partner shall notify DTC of any change in the transaction fee and will not implement any increase in the fee for the redemption of baskets until 30 days after the date of the notice.