

# Information Memorandum

**Tasmanian Public Finance Corporation**

Guaranteed by the State of Tasmania

**A\$750,000,000 Fixed Rate Senior Notes due 23 June 2014**

**UBS AG, Australia Branch and Commonwealth Bank of Australia**  
as Lead Managers

**Computershare Limited**  
as Issuing Agent, Paying Agent and Registrar

13 July 2010

---

## **Table of Contents**

<b>Important Notice</b>	<b>2</b>
<b>Summary of the Offering</b>	<b>4</b>
<b>Description of the Issuer and Guarantor</b>	<b>7</b>
<b>Deed Poll</b>	<b>A-1</b>
<b>Terms and Conditions</b>	<b>B-1</b>
<b>Australian Taxation</b>	<b>10</b>
<b>Selling Restrictions</b>	<b>13</b>

---

## Important Notice

---

This Information Memorandum (together, with any supplementary information memorandum and information incorporated herein by reference, the **Information Memorandum**) contains summary information provided by Tasmanian Public Finance Corporation (the **Issuer**) in connection with the issuance of A\$750,000,000 Fixed Rate Senior Notes due 23 June 2014 (the **Notes**). The Issuer may issue Notes outside the United States pursuant to Regulation S (**Regulation S**) of the *United States Securities Act* of 1933, as amended (the **Securities Act**). Upon issuance, the Notes will have the benefit of a guarantee under section 15 of the *Tasmanian Public Finance Corporation Act* 1985 (the **Tascorp Act**) of the State of Tasmania (the **Guarantor**) pursuant to which the Guarantor guarantees the liabilities incurred by the Issuer in respect of the Notes (the **Guarantee**).

The Issuer has appointed each of UBS AG, Australia Branch and Commonwealth Bank of Australia as lead manager (each a **Lead Manager** and together the **Lead Managers**) in respect of the Notes and authorised and requested the Lead Manager to circulate the Information Memorandum and any document incorporated into the Information Memorandum on its behalf to purchasers or potential purchasers of the Notes subject to, and on terms not inconsistent with, the Information Memorandum.

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for the correctness of the information contained in this Information Memorandum.

No person accepts any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

The only role of each Lead Manager in relation to this Information Memorandum has been to confirm to the Issuer that the information as to the Lead Manager's identity and description under the heading "Summary of the Offering" and on the final page are accurate as at the date of this Information Memorandum. The Lead Managers have not independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Lead Managers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or

---

from any accompanying or subsequent material or presentation. No Lead Manager accepts any liability in relation to this Information Memorandum or its distribution by any other person.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by any person that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer, the Guarantor and the Notes as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes and the Issuer set out under *Selling Restrictions* below.

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).**

It is not intended to list the Notes on any stock exchange.

## **Interpretation**

---

In this Information Memorandum, references to **A\$** and **Australian dollars** are to the currency for the time being of Australia.

## **Documents Incorporated by Reference**

---

The most recently published audited financial statements of the Issuer shall be deemed to be incorporated in, and to form part of, this Information Memorandum. All supplements or amendments to this Information Memorandum circulated by the Issuer from time to time, shall also be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in a document incorporated by reference into this Information Memorandum shall be deemed to be modified or superseded to the extent that a statement contained in any subsequent document which also is incorporated by reference into this Information Memorandum modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

---

Except as provided in this section, no other information, including information on the website of the Issuer is incorporated by reference into this Information Memorandum.

A copy of the most recently published annual reports of the Issuer is available on the following website:

[www.tascorp.com.au](http://www.tascorp.com.au)

---

## Summary of the Offering

---

The following is a summary of certain information contained elsewhere in this Information Memorandum. Reference is made to, and this Summary is qualified in its entirety by, the more detailed information contained elsewhere in this Information Memorandum.

<b>Issuer:</b>	Tasmanian Public Finance Corporation
<b>Guarantor:</b>	State of Tasmania
<b>Lead Managers:</b>	UBS AG, Australia Branch and Commonwealth Bank of Australia
<b>Issuing Agent, Paying Agent and Registrar:</b>	Computershare Limited
<b>Issue Amount:</b>	A\$750,000,000 aggregate face value
<b>Issue Date:</b>	21 July 2010
<b>Maturity Date:</b>	23 June 2014
<b>Interest:</b>	The Notes will pay an interest coupon at a rate of 5.5 per cent. per annum of face value payable semi-annually on 23 June and 23 December in each year commencing on 23 December 2010 up to, and including, 23 June 2014. The interest coupon on 23 December 2010 will be a full semi-annual interest coupon.
<b>Interest Record Dates:</b>	The interest record date for the Notes will be 16 June and 16 December of each year.
<b>Guarantee:</b>	The Notes have the benefit of section 15 of the Tascorp Act.
<b>Status of Notes:</b>	The Issuer's payment obligations under the Notes rank and will at all times rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations preferred by mandatory provisions of law applying to the Issuer.
<b>Issuer Ratings:</b>	As at the date of this Information Memorandum, the Issuer is rated Aaa (Stable) by Moody's Investors Services and AA+ (Stable) by Standard & Poor's. No credit rating will be assigned to the Notes.  <b>A credit rating is not a recommendation to buy, sell or hold securities (including the Notes) and may be subject</b>

---

**to review, suspension or withdrawal at any time by the relevant rating agency.**

**Form of Notes:**

The Notes will be in registered form and the Issuer will procure the Registrar to inscribe the details of the Notes in the Register in accordance with the Terms and Conditions. The Notes will be in a denomination of A\$1,000.

**Delivery:**

Noteholders will, in respect of Notes, have the benefit of a Note Deed Poll dated on or about 15 July 2010 (the *Deed Poll*) given by the Issuer as set out below under *Deed Poll* and electronic copies of which may be inspected on [www.tascorp.com.au](http://www.tascorp.com.au).

**Listing:**

It is not intended to list the Notes on any stock exchange.

**Redemption:**

The Notes will be redeemed at par on the maturity date.

**Selling Restrictions:**

Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer and the Notes are subject to all applicable selling restrictions including, without limitation, those set out under *Selling Restrictions* below.

**Taxes:**

The Issuer intends that the Notes will be issued in a manner that satisfies the requirements for the exemption from interest withholding tax contained in section 128F of the Australian Tax Act. Provided those requirements are met the Issuer will not be required to deduct interest withholding tax at the rate of 10% from payments of interest (or amounts in the nature of interest) on the Notes to Noteholders located outside of Australia.

Subject to certain customary exceptions set out in the Terms and Conditions (including for Noteholders located in Australia, a failure to quote a Tax File Number, Australian Business Number (if applicable) or other head of exemption), the Issuer will be obliged to make additional payments to Noteholders in respect of any amounts withheld by the Issuer on account of Australian taxes.

Investors should refer to *Australian Taxation* below for a summary of the Australian taxation consequences of investing in the Notes.

**Governing Law:**

The Notes and the Deed Poll will be governed by the laws of

---

Tasmania, Australia.

**Presentation and Payment:**

Subject to the terms of any notice to the contrary given to holders of the Notes by the Issuer, payment will be effected through Austraclear, Euroclear or Clearstream, Luxembourg, or any other recognised clearing system and made against presentation of the Notes at the offices of the Paying Agent (as the case may be). Such payments are to be made in accordance with the conditions of the Notes, subject in all cases to any fiscal or other laws and regulations applicable thereto and without prejudice to the provisions of "Taxes" above.

**ISIN Code:**

AU3SG0000193

---

## Description of the Issuer and Guarantor

---

### Introduction

The Tasmanian Public Finance Corporation (**TASCORP** or the **Issuer**) is the central borrowing authority for the government of the State of Tasmania (the **State Government**), state-owned companies, government business enterprises and various other statutory entities in Tasmania. It was established by the Tasmanian Public Finance Corporation Act 1985 (the **Tascorp Act**), as amended.

### Functions and Powers of the Issuer

Section 11(1) of the Tascorp Act provides that the functions of the Issuer are to develop and implement borrowing and investment programmes for the benefit of participating authorities and to engage in such other activities relating to the finances of the State Government or participating authorities as contemplated by the Tascorp Act or as approved by the Treasurer of the State of Tasmania (the **Treasurer**). In practice, TASCORP's activities are confined to borrowing and investment programmes.

Under section 11(2) of the Tascorp Act, TASCORP may (among other things) with the approval of the Treasurer:

- borrow money within or outside Australia;
- issue, sell, purchase, pay-off, re-purchase, redeem, convert, or otherwise deal in or with securities; and
- appoint a bank, financial institution, or other person to act as underwriter, manager, trustee, or agent in connection with any transaction within or outside Australia.

### Guarantee

The Notes are guaranteed by the State of Tasmania pursuant to the Tascorp Act. The terms of the guarantee are set out in section 15(1) of the Tascorp Act which states that:

*"Liabilities incurred or assumed by the Corporation in pursuance of this Act are guaranteed by the State, and any liability of the Crown arising by virtue of this subsection shall be a charge on the Consolidated Fund, and shall be payable out of the Consolidated Fund without further appropriation than this section".*

### Guarantor

Tasmania is the southernmost State of the Commonwealth of Australia (the **Commonwealth**). It is an island, approximately the same size as Ireland, lying 240 kilometres south of the Australian mainland. As at the date of this Information Memorandum it had a population of approximately 500,000.

The State of Tasmania is a member of the federation of six States and two Territories which comprise the Commonwealth. Within Australia, there are three tiers of government:

- 
- (i) the Commonwealth Government located in Canberra (the **Commonwealth Government**);
  - (ii) State and Territory governments; and
  - (iii) local government authorities.

The sovereignty of the State and Territory governments is protected by the Constitution of the Commonwealth. State and Territory governments are responsible for all areas of government not specifically vested in the Commonwealth Government. These areas include health, education, law and order, provision of public infrastructure and social welfare.

Tasmania follows the Westminster style of government, with power formally vested in a Governor (representing Her Majesty the Queen) and a Parliament. The Tasmanian Parliament consists of the House of Assembly (the Lower House) and the Legislative Council (the Upper House). Members of both houses represent electorates, and are elected by registered voters of those electorates at the time of the election.

The Commonwealth Government has been the sole income taxing authority in Australia since 1942. The Commonwealth Government also levies and collects a Goods and Services Tax (GST) introduced in 2000. State and Territory governments levy taxes on such things as land, certain property and financial transactions, business payrolls, gambling, mining and forestry resources and motor vehicle purchases and registrations.

Under an agreement between the Commonwealth, States and Territories, GST revenue is transferred by the Commonwealth Government to the States and Territories as if it is State or Territory tax revenue. This is made possible by an intergovernmental agreement and with the approval of the Commonwealth Parliament. The Commonwealth and States and Territories recently agreed a change to the GST transfer arrangements. This will result in a proportion of GST revenue (about 30 %) being dedicated to health expenditure.

In addition to GST revenue, the Commonwealth Government also makes specific purpose payments and other financial transfers to the States and Territories.

In the case of Tasmania, GST revenue is expected to represent approximately 39% of the State Government's total operating revenue in the 2010/11 financial year. Specific purpose Commonwealth Government payments are expected to contribute another 25% of operating revenue, and State taxes will amount to approximately 19%.

## Deed Poll

<b>Date</b>	2010
<b>Parties</b>	Granted by:  <b>Tasmanian Public Finance Corporation</b> of 114 Murray Street, Hobart, Tasmania 7000, Australia (the <i>Issuer</i> ).
<b>Recitals</b>	
A	The Issuer proposes to issue the Notes on the terms of this Deed Poll.
B	The Notes will be issued in registered form by inscription in the Register to be maintained by the Registrar.
C	The Issuer enters into this Deed Poll for the benefit, amongst others, of the holders from time to time of the Notes.

**IT IS AGREED AND DECLARED** as follows.

### 1. Definitions and Interpretation

#### 1.1 Definitions

Definitions in the Terms and Conditions apply in this Deed Poll unless the context otherwise requires or the relevant term is defined in this Deed Poll.

**Terms and Conditions** means the Terms and Conditions set out in schedule 1.

#### 1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the converse.
- (b) A gender includes all genders.

- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, annexure or schedule is a reference to a clause of, or annexure or schedule to, this Deed Poll.
- (f) A reference to a party to this Deed Poll or another agreement or document includes the party's successors and permitted substitutes or assigns.
- (g) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (h) A reference to **writing** includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- (i) A reference to **conduct** includes an omission, statement or undertaking, whether or not in writing.
- (j) The meaning of terms is not limited by specific examples introduced by **including**, or **for example**, or similar expressions.
- (k) All references to **time** are to Sydney time.

### 1.3 Document or agreement

A reference to:

- (a) an **agreement** includes a security interest, guarantee, undertaking, deed, agreement or legally enforceable arrangement whether or not in writing; and
- (b) a **document** includes an agreement (as so defined) in writing or a certificate, notice, instrument or document.

A reference to a specific agreement or document includes it as amended, novated, supplemented or replaced from time to time.

### 1.4 Registration and transfer

References in this Deed Poll to:

- (a) **registration** or **recording** include inscription, and **register** and **record** have a corresponding meaning; and
- (b) **transfer** includes transmission.

---

## **2. The Notes**

---

### **2.1 Creation of Notes**

The Notes are issued in registered form and the Issuer has procured the Registrar to inscribe the details of the Notes in the Register in accordance with the Terms and Conditions.

### **2.2 Constitution and title**

The Notes are constituted by this Deed Poll and inscription in the Register. Title to them is conclusively evidenced for all purposes by inscription in the Register. No certificate or other evidence of title to the Notes will be issued by or on behalf of the Issuer unless the Issuer determines otherwise or is required to do so by law.

### **2.3 Denomination**

The Notes are denominated in Australian dollars.

### **2.4 Status**

- (a) The Notes are direct, unconditional, unsecured and unsubordinated obligations of the Issuer. They rank without preference or priority among themselves and at least equally with all present and future unsubordinated and unsecured obligations of the Issuer (except liabilities mandatorily preferred by law and subject to laws and principles of equity generally affecting creditors' rights).
- (b) The ranking of the Notes is not affected by the date of inscription in the Register.
- (c) The Notes are issued with the benefit of the Guarantee.

## **3. Rights and Obligations of Noteholders**

---

### **3.1 Rights of Noteholders**

- (a) A Noteholder is entitled to the payment of the principal amount and interest in accordance with the Terms and Conditions, together with the other benefits given to Noteholders under this Deed Poll, including unless the Note is purchased and cancelled prior to the Maturity Date in accordance with the Terms and Conditions, the payment of the Redemption Amount of such Notes on the relevant Maturity Date.
- (b) The Issuer irrevocably undertakes to make all those payments on the due date.

### **3.2 Deed poll and enforcement**

This Deed Poll is a deed poll. Each Noteholder has the benefit of this Deed Poll and can enforce it even though they may not be in existence at the time this Deed Poll is

---

executed. Each Noteholder can enforce this Deed Poll independently of any other Noteholder and any other person.

### **3.3 Noteholders bound**

Each Noteholder, and any person claiming through a Noteholder, who asserts an interest in a Note is bound by this Deed Poll.

### **3.4 Lodgement with Registrar**

- (a) The Issuer shall keep an executed counterpart of this Deed Poll with the Registrar for the benefit of Noteholders.
- (b) Each Noteholder is taken to have irrevocably appointed and authorised the Registrar to hold this Deed Poll in Victoria on behalf of that Noteholder, with the powers expressly delegated to the Registrar under the Agency and Registry Arrangements and other powers reasonably incidental to those powers.

### **3.5 Annexures and conditions**

The Notes are issued upon and subject to:

- (a) the Terms and Conditions; and
- (b) the Information Memorandum;

each of which are binding on the Issuer and the Noteholders and all persons claiming through or under them respectively.

### **3.6 Issuing Agent**

Each Noteholder is taken to acknowledge that:

- (a) the Issuing Agent is the Issuer's agent, not theirs; and
- (b) the Issuing Agent does not owe any fiduciary duty to any Noteholders.

### **3.7 Name on Register**

The person whose name appears in the Register will be treated by the Issuer, the Issuing Agent and the Registrar as the absolute owner of the relevant Note.

## **4. The Registrar**

---

### **4.1 Appointment**

The Issuer undertakes to ensure that a person acts at all times as registrar, issuing agent and paying agent in respect of the Notes and properly performs the functions required of the registrar and issuing agent (including under the Agency and Registry Arrangements

---

and the Terms and Conditions). The Issuer will promptly replace the registrar or issuing agent if it is not properly performing its duties.

#### **4.2 Duties**

The Issuer shall procure the Registrar to do all acts and things contemplated by the Terms and Conditions and this Deed Poll to be done by the Registrar.

### **5. Terms and Conditions**

---

The Issuer agrees to its obligations as set out in the Terms and Conditions.

### **6. Undertaking by Issuer**

---

The Issuer undertakes to publish a copy of this Deed Poll, the Terms and Conditions and the Information Memorandum on its website at [www.tascorp.com.au](http://www.tascorp.com.au). If requested by a Noteholder or other person who can reasonably establish their interest in a Note, the Issuer will procure, at that person's expense, a certified copy of this Deed Poll to be made available that person.

### **7. Governing Law and Jurisdiction**

---

#### **7.1 Governing law**

This Deed Poll is governed by the law in force in Tasmania, Australia.

#### **7.2 Jurisdiction**

Each person taking benefit of or bound by this Deed Poll irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Tasmania and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

### **8. Power of Attorney**

---

Each attorney executing this Deed Poll states that he or she has no notice of revocation or suspension of his or her power of attorney.

## **Schedule 1**

### **Terms and Conditions of the Notes**

---

Please see page B-1.

---

**Executed** and delivered as a deed poll in Tasmania.

Signed on behalf of **Tasmanian Public Finance Corporation** by its duly authorised delegates under the Instrument of Delegation dated 22 July 2009, who hereby state that at the time of executing this Deed Poll they have no notice of revocation or suspension of their authority under that Instrument of Delegation, in the presence of:

---

Witness Signature

---

Delegate Signature

---

Print Name

---

Print Name

---

Delegate Signature

---

Print Name

---

## Terms and Conditions

---

*The following are the Terms and Conditions of the Notes as may be supplemented, modified, amended or replaced from time to time.*

The A\$750,000,000 Fixed Rate Senior Notes due 23 June 2014 (the **Notes**) are constituted by the Deed Poll dated on or about 15 July 2010 (the **Deed Poll**) executed by Tasmanian Public Finance Corporation of 114 Murray Street, Hobart, Tasmania 7000, Australia (the **Issuer**) and issued with the benefit of the Agency and Registry Arrangements (as defined below).

The registered holders of Notes (**Noteholders**) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions contained in the Deed Poll and the Agency and Registry Arrangements.

### 1. Interpretation

---

#### 1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears.

**Act** means the *Corporations Act 2001* (Commonwealth).

**Additional Amounts** has the meaning given in Condition 7 (**Taxes**).

**Agency and Registry Arrangements** means the agency and registry arrangements that the Issuer has with the Registrar from time to time.

**Austraclear** means Austraclear Limited or its successor.

**Austraclear System** means the system operated by Austraclear in accordance with the Regulations.

**Australian dollars, dollars or A\$** means the lawful currency of Australia from time to time.

**Business Day** means a day on which:

- (a) banks are open for business in Sydney and Hobart; and
- (b) a day on which Austraclear is open for business excluding a Saturday, Sunday or public holiday in Sydney.

**Business Day Convention** means Following Unadjusted.

**Calculation Period** means the calculation of an amount of interest for any period of time.

**Document** means:

- the Deed Poll;
- the Information Memorandum; and
- the Notes.

**Event of Default** means an event specified in Condition 9 (**Events of Default**).

**Excluded Tax** means a Tax imposed by a jurisdiction on the net income, gross receipts or assets of a Noteholder because the Noteholder has a connection with that jurisdiction, including the tax referred to in Condition 7.4 (**Tax file or Australian business number**), but not a Tax:

- (a) calculated by reference to the gross amount of a payment under a Document (without the allowance of a deduction); or
- (b) imposed because the Noteholder is taken to be connected with that jurisdiction solely because it is party to a Document or a transaction contemplated by a Document.

**Face Value** means the principal amount of a Note, up to an aggregate amount of A\$750,000,000 for all Notes.

**Following Unadjusted** means that, for any Interest Payment Date, including the Maturity Date, which falls on a day that is not a Business Day, any payment due on such Interest Payment Date will be postponed to the next day that is a Business Day; *provided* that the Interest Amount due with respect to such Interest Payment Date shall not accrue from and including such Interest Payment Date to and including the date of payment of such interest as so postponed.

**Government Agency** means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange.

**GST** means any goods and services or similar tax, together with any related interest, penalties, fines or other charge.

**Guarantee** means the guarantee from the State of Tasmania pursuant to section 15(1) of the *Tasmanian Public Finance Corporation Act 1985*.

**Information Memorandum** means the information memorandum dated on or about 13 July 2010 issued in connection with the issue, sale or purchase of the Notes to Noteholders.

**Interest Amount** means the amount of interest payable in respect of the Notes as determined under Condition 3.2 (**Interest Payments**).

**Interest Coupon Rate** means 5.5 per cent. per annum.

**Interest Payment Date** means each 23 June and 23 December in each year commencing on 23 December 2010 and ending on 23 June 2014 on which a payment of interest is due and adjusted, if necessary, in accordance with Business Day Convention.

**Interest Record Date** means the 16 June and 16 December in each year.

**Issue Date** means 21 July 2010.

**Issuing and Paying Agent** means Computershare Limited in its capacity as issue agent and paying agent or such other person appointed by the Issuer from time to time.

**Majority Noteholders** means Noteholders whose aggregate Face Value under the Notes held by them is greater than or equal to 66.67 per cent. of the aggregate Face Value of all Notes.

**Maturity Date** means 23 June 2014.

**Noteholder** means a person whose name is for the time being entered in the Register as a holder of a Note and when a Note is entered into the Austraclear System or any other clearing system includes Austraclear or any other entity acting on behalf of any member of the Austraclear System or that clearing system, as the case may be.

**Redemption Amount** means the Face Value.

**Register** means a register of Noteholders maintained by the Registrar on behalf of the Issuer in which is entered the name and address of Noteholders whose Notes are carried on that Register, the amount of Notes held by each Noteholder, the date of transfer of those Notes and any other particulars which the Issuer sees fit.

**Registrar** means Computershare Limited in its capacity as registrar of the Notes or such other person appointed by the Issuer to establish and maintain the Register on the Issuer's behalf from time to time.

**Regulations** means the regulations and operating manual of Austraclear.

**Subsidiary** has the meaning given in the Act.

**Tax** includes any tax, levy, impost, deduction, charge, rate, duty, GST or withholding which is levied or imposed by the Commonwealth of Australia or any political subdivision or taxing authority in it, and any related interest, penalty, charge, fee or other amount, but does not include an Excluded Tax.

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) or the *Taxation Administration Act 1953* (Cth).

**Transfer and Acceptance Form** means such form as the Registrar adopts in line with the then current market practice to effect a transfer of Notes.

---

**1.2 Deed Poll provisions**

Clauses 1.2 and 1.3 of the Deed Poll apply to these Terms and Conditions except that each reference in them to **this Deed Poll** is to be read as if it were a reference to **these Terms and Conditions**.

**1.3 Listing requirements included as law**

A listing rule or business rule of a financial market (as defined in the *Corporations Act 2001*) will be regarded as a **law**.

---

**2. Form, Title and Status**

**2.1 Form**

The Notes are issued in registered form. The holders of the Notes are recorded in the Register. Each Note is a separate debt of the Issuer and may be transferred separately from any other Note.

**2.2 Registered owners**

The person whose name is inscribed in the Register as the registered owner of any Note from time to time will be treated by the Issuer, the Issuing and Paying Agent and the Registrar as the absolute owner of such Note for all purposes whether or not any payment in relation to such Note is overdue and regardless of any notice of ownership, trust or any other interest inscribed in the Register subject to rectification for fraud or error. Two or more persons registered as Noteholders are taken to be joint holders with right of survivorship between them.

**2.3 Currency, denominations and holdings**

- (a) Notes will be denominated in Australian Dollars.
- (b) Notes will be issued in a denomination of A\$1,000.
- (c) Each Noteholder must hold Notes in a minimum holding of A\$500,000.

**2.4 Inscription conclusive**

Each inscription in the Register in respect of the Notes is:

- (a) sufficient and conclusive evidence to all persons and for all purposes that the person whose name is so inscribed is the registered owner of the Note;
- (b) evidence for the benefit of the relevant Noteholder, that a separate and individual acknowledgement by the Issuer of its indebtedness to that person is constituted by the Deed Poll and of the vesting in such person of all rights vested in a Noteholder by the Deed Poll; and

- 
- (c) evidence that the person whose name is so inscribed is entitled to the benefit of an unconditional and irrevocable undertaking by the Issuer constituted by the Deed Poll that the Issuer will make all payments of principal and interest (if any) in respect of the Notes in accordance with these Terms and Conditions.

## **2.5 Manifest errors**

The making of, or the giving effect to, a manifest error in an inscription into the Register will not avoid the constitution, issue or transfer of a Note. The Registrar must correct any manifest error of which it becomes aware.

## **2.6 No certificate**

No certificate or other evidence of title shall be issued by or on behalf of the Issuer to evidence title to a Note unless the Issuer determines that certificates should be made available or that it is required to do so under any applicable law or regulation. However, the Issuer agrees upon reasonable request by a Noteholder, to procure the provision to the Noteholder, at that Noteholders' expense, of a certified extract of the particulars entered on the Register relating to Notes held by that Noteholder.

## **2.7 Guarantee**

Upon issue, the Notes will have the benefit of the Guarantee.

## **2.8 Status**

The Notes are direct, unsecured and unsubordinated obligations of the Issuer and rank without preference or priority among themselves and at least equally with all present and future unsubordinated and unsecured obligations of the Issuer (subject to laws and principles of equity generally affecting creditors' rights or as provided by operation of law). The ranking of Notes is not affected by the date of registration of any Noteholder in the Register.

# **3. Interest**

---

## **3.1 Application**

Each Note will bear interest on its Face Value at the Interest Coupon Rate.

## **3.2 Interest Payments**

Interest in an amount of A\$27.50 will be payable on each Interest Payment Date in respect of each Note. Interest ceases to accrue on the Notes from the Maturity Date unless default is made in the payment of any principal amount in respect of the Notes. In that event any overdue principal amount of a Note will continue to bear interest at the

---

Interest Coupon Rate (calculated daily on the basis of a 365 day year), both before and after any judgment, until it is paid in full to the relevant Noteholder.

### **3.3 Business Days**

In the event that any Interest Payment Date is not a Business Day, interest will be paid in accordance with the Business Day Convention without adjustment to the amount of interest paid.

## **4. Transfers**

---

### **4.1 Austraclear**

Subject to the agreement of Austraclear, the Issuer will procure that the Notes be lodged into and maintained in the Austraclear System and that Austraclear be entered in the Register as the Noteholder of the Notes.

### **4.2 Transfer subject to Agency and Registry Arrangements and Regulations**

For so long as any Note is lodged in the Austraclear System:

- (a) the right of a relevant Noteholder to be registered as the holder of that Note, and limits on that right, and the transfer of that Note, shall be governed by the relevant Agency and Registry Arrangements and the Regulations; and
- (b) all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the Regulations and need not comply with these Terms and Conditions or the Agency and Registry Arrangements to the extent of any inconsistency.

### **4.3 Transfers of Notes**

Notes are transferable without the consent of the Issuer or the Registrar. Notes entered in the Austraclear System will be transferable only in accordance with the Regulations.

### **4.4 Transfer amounts**

Notes may only be transferred in accordance with all applicable laws and regulations of each relevant jurisdiction and these Terms and Conditions. Notes which are transferred must be transferred for a consideration of not less than A\$500,000 or its foreign currency equivalent (disregarding amounts, if any, lent by the Issuer or other person offering the Notes or its associates).

### **4.5 Transfer and Acceptance Forms for Notes**

Subject to Condition 4.1 (**Transfer subject to Agency and Registry Arrangements and Regulations**), a Note is transferable in whole (but not in part) by a duly completed and (if applicable) stamped Transfer and Acceptance Form obtainable from the Registrar.

---

Unless a contrary intention is expressed in a Transfer and Acceptance Form, all contracts relating to the transfer of Notes are governed by the laws applicable to the Notes. The Issuer is not obliged to stamp any Transfer and Acceptance Form.

## **5. Redemption and Purchase**

---

### **5.1 Maturity**

Unless previously redeemed or purchased and cancelled in accordance with these Terms and Conditions the Notes must be redeemed by the Issuer on the Maturity Date by payment of the Redemption Amount.

### **5.2 Purchase**

The Issuer may at any time purchase Notes in the open market, by tender to all or some only of the Noteholders or by private agreement. Notes purchased by or for the account of the Issuer may be cancelled or re-sold (and may be held pending resale), at the option of the Issuer.

## **6. Payments**

---

### **6.1 Payments to Noteholders**

All payments under the Notes must be made by the Issuer or the relevant Issuing and Paying Agent on its behalf by crediting, on the relevant Interest Payment Date, Maturity Date or other date on which a payment is due, the amount then due to the account of the Noteholder, in accordance with the Regulations without set-off or counterclaim or any other deduction unless required by law.

### **6.2 Method of payment**

A payment made by electronic transfer is for all purposes taken to be made when the Issuer or the Issuing and Paying Agent gives an irrevocable instruction for the making of that payment by electronic transfer, being an instruction which would be reasonably expected to result, in the ordinary course of banking business, in the relevant funds reaching the account of the Noteholder on the same day as the day on which the instruction is given.

### **6.3 Business Days**

- (a) If a payment is due under a Note on a day which is not a Business Day the date for payment will be adjusted according to the Business Day Convention.
- (b) If payment is to be made to an account on a Business Day on which banks are not open for general banking business in the city in which the account is located,

---

the Noteholder is not entitled to payment of such amount until the next Business Day on which banks in such city are open for general banking business and is not entitled to any interest or other payment in respect of any such delay.

#### **6.4 Payments subject to fiscal laws**

All payments are subject to Condition 7 (**Taxation**) and to any applicable fiscal or other laws and regulations.

### **7. Taxation**

---

#### **7.1 Payments made free and clear**

Payments in respect of the Notes are subject in all cases to applicable provisions of fiscal and other laws and regulations. All payments under the Notes must be made free and clear of, and without deduction for, or by reference to, any present or future Taxes of any Government Agency of any jurisdiction or any political subdivision or taxing authority in it unless required by law.

#### **7.2 Additional payments**

If the Issuer is obliged to make a deduction in respect of Tax from any payment under any Document:

- (a) it shall promptly pay the amount deducted to the appropriate Government Agency;
- (b) within 30 days of the end of the month in which the deduction is made, it shall deliver to the Registrar for collection by the relevant Noteholder official receipts or other evidence of payment of that amount; and
- (c) subject to paragraph (d), unless the Tax is an Excluded Tax, pay the relevant Noteholder on the due date for payment such additional amounts (***Additional Amounts***) as may be necessary so that the relevant Noteholder receives a net amount (after allowance for any further deduction) equal to the amount it would have received if no deduction had been made; but
- (d) no Additional Amounts shall be payable under this Condition 7.2:
  - (i) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of any Note by reason of the Noteholder having some connection with Australia (or a political subdivision of it) other than the mere holding of such Note or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;
  - (ii) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or

- 
- procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any tax authority in the place where payment under the Note is made;
- (iii) where the Note is presented for payment more than 30 days after the due date except to the extent that a Noteholder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
  - (iv) to, or to a third party on behalf of, a Noteholder who is liable for the Taxes in respect of the Notes by reason of the Noteholder being an associate (within the meaning of s128F of the Tax Act) of the Issuer;
  - (v) to, or to a third party on behalf of an Australian resident Noteholder, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
  - (vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, European Council Directive 2003/48/EC or and other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income.

### **7.3 Redemption for Tax or other reasons**

If immediately prior to giving the notice referred to in paragraph (b) below:

- (a) the Issuer would be required to deduct or withhold from any payment of principal or interest in respect of the Notes any amount for or on account of any present or future Taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Government Agency of any jurisdiction; then
- (b) the Issuer may, but shall not be obliged to (provided that the Issuer will be in a position on such Interest Payment Date to discharge all its liabilities in respect of the Notes and any amounts required under the Deed Poll to be paid in priority to or ranking equally with the Notes), at any time at its option, having given not more than 60 nor less than 30 days notice to the Noteholders, redeem all or some only of the Notes at their Redemption Amount together with accrued interest to the date of redemption.

---

**7.4 Tax file or Australian business number**

The Issuer or any person making payments on behalf of the Issuer may deduct tax on interest payments to a Noteholder at the rate required by the Tax Act unless the Issuing and Paying Agent receives written notice of the Noteholder's tax file number (if any) or evidence of any exemption the Noteholder may have from the need to advise the Issuer of its tax file number (if any) or Australian business number if applicable. The tax file number or Australian business number or appropriate evidence (as the case may be) must be received by the Issuing and Paying Agent not less than 7 days prior to the relevant Interest Payment Date.

---

**8. Register, Registrar and Issuing and Paying Agent****8.1 Registrar's role**

The Issuer agrees to procure that the Registrar does the following things:

- (a) establish and maintain the Register in Sydney or such other city as the Issuer and the Registrar may agree;
- (b) enter or cause to be entered in the Register:
  - (i) the name and address of each Noteholder and the respective amounts of Notes held by them;
  - (ii) the date on which a person becomes a Noteholder;
  - (iii) the date on which a person ceases to be a Noteholder; and
  - (iv) the date on which each relevant Note is redeemed or is purchased and cancelled; and
- (c) comply with the obligations expressed in the Deed Poll and the Agency and Registry Arrangements to be performed by the Registrar.

**8.2 Registrar**

- (a) In acting under the Agency and Registry Arrangements in connection with the Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar in accordance with the Agency and Registry Arrangements shall, pending their application in accordance with the Agency and Registry Arrangements, be held by it in a segregated account for the persons entitled thereto.
- (b) The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Agency and Registry Arrangements and to appoint successor or additional registrars, provided, however, that the Issuer

must at all times maintain the appointment of a registrar with its specified office the Commonwealth of Australia or the place of incorporation of the Issuer. Notice of any such termination of appointment will be given to the Noteholder in accordance with Condition 11 (**Notices**).

### **8.3 Multiple Noteholders**

- (a) Subject to the Act, if more than 4 persons are the holders of a Note, the names of only 4 such persons will be entered in the Register.
- (b) Subject to the Act, if more than one person is the holder of a Note, the address of only one of them will be entered on the Register. If more than one address is notified to the Registrar, the address recorded in the Register will be the address of the Noteholder whose name appears first in the Register.

### **8.4 Noteholder change of address**

A Noteholder must promptly notify any change of address to the Registrar.

### **8.5 Closing of Register**

The registration of the transfer of a Note may be suspended by the Registrar (and the Register shall be closed for the purpose of determining entitlements to payment under a Note) after the close of business on the seventh or other day in accordance with the Regulations prior to each Interest Payment Date and the Maturity Date or such other number of days as may be agreed by the Issuer and the Registrar and not contrary to the Regulations and notified promptly by the Issuer to the Noteholders.

### **8.6 Transfer on death, bankruptcy or liquidation of Noteholder**

The Registrar must register a transfer of a Note to or by a person who is entitled to do so in consequence of:

- (a) the death or bankruptcy (in the case of natural persons) or the liquidation or winding up (in the case of a corporation) of a Noteholder; or
- (b) the making of any vesting orders by a court or other judicial or quasi judicial body, in accordance with any applicable laws and upon such evidence as the Issuer or the Registrar may require.

### **8.7 Trusts**

Without limitation, except as provided by statute or as required by order of a court of competent jurisdiction, no notice of any trust (whether express, implied or constructive) may be entered in the Register in respect of a Note and the Registrar is not obliged to recognise any trust.

---

## 8.8 Issuing and Paying Agent

Subject to the Agency and Registry Arrangements, the Issuer may vary or terminate the appointment of the Issuing and Paying Agent and appoint a new Issuing and Paying Agent at any time. Notice of any such change or any change in the specified offices of the Issuing and Paying Agent will be given to the Noteholders in accordance with Condition 11 (**Notices**).

---

## 9. Events of Default

### 9.1 Events of Default

Each of the following is an Event of Default in relation to Notes (whether or not it is in the control of the Issuer).

(a) (**Obligations**)

The Issuer fails to pay:

- (i) when due the principal amount of any Note; or
- (ii) within three Business Days after the due date any interest on a Note.

(b) (**Moratorium**) A moratorium is agreed or declared in respect of any indebtedness of the Issuer.

### 9.2 Consequences of an Event of Default

If any Event of Default occurs, then a Noteholder may by written notice to the Issuer (with a copy to the Registrar) declare the Face Value (together with all accrued interest (if any)) applicable to each Note held by the Noteholder to be due and payable immediately or on such other date specified in the notice.

### 9.3 Notification

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and procure that the Registrar promptly notifies Noteholders of the occurrence of the Event of Default by registered post to the address of the Noteholder recorded in the Register.

---

## 10. Time Limit for Claims

A claim against the Issuer for a payment under a Note is void unless made within 5 years of the due date for that payment or the date, if later, on which that payment is fully provided for by the Issuer.

---

## 11. Notices

---

### 11.1 Issuer and Registrar

A notice or other communication to the Issuer or the Registrar in connection with a Note:

(a) must be in writing addressed as follows:

(i) if to the Issuer, to:

Address: 144 Murray Street  
Hobart Tasmania 7000  
Australia

Facsimile No: (61) 3 6223 8541  
Attention: Chief Executive Officer

(ii) if to the Registrar, to:

Address: Computershare Investor Services  
GPO Box 2867  
Melbourne Victoria 3001  
Australia

Facsimile No: (61) 3 9473 2535

(b) is taken to be given or made, as the case may be, on the date it is received which, in the case of a facsimile is deemed to be the time indicated in a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient notified for the purpose of this Condition 11.

### 11.2 Noteholders

A notice or other communication to a Noteholder in connection with a Note:

(a) must be in writing and may be given by prepaid post or delivery to the address of the Noteholder as shown in the Register at the close of business 7 days prior to the despatch of the relevant notice or communication; and

(b) is taken to be given or made, as the case may be, on the date the notice or other communication is so posted or delivered, as the case may be.

## 12. Meetings of Noteholders

---

(a) Meetings of Noteholders may be convened in accordance with the arrangements promulgated by the Issuer from time to time. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Notes by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

- 
- (b) The powers referred to in paragraph (a) above shall not extend to variations which affect the timing or amount of payments, extends the Maturity Date or changes the Interest Rate.

### **13. Amendments**

---

The Agency and Registry Arrangements and the Terms and Conditions may be amended, without the consent of any Noteholder:

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions; or
- (b) in any other manner which the Issuer and the Issuing and Paying Agent deem necessary or desirable,

and in each case which does not adversely affect the interests of the Noteholders.

The Agency and Registry Arrangements and the Terms and Conditions may otherwise be varied with the approval of the Majority Noteholders by resolution unless the variation affects timing or amount of payments, extends the Maturity Date or changes the Interest Rate.

### **14. Further Issues**

---

The Issuer may from time to time and without the consent of the Noteholders create and issue further notes or securities or other similar instruments. The Issuer may issue further notes so as to form a single series with the Notes.

### **15. Governing Law and Jurisdiction**

---

#### **15.1 Governing law**

The Notes are governed by the law in force in Tasmania, Australia.

#### **15.2 Jurisdiction**

The Noteholders irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Tasmania and courts of appeal from them. The Noteholders waive any right to object to an action being brought in those courts, to claim that such action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

---

## Australian Taxation

The following is a summary of the Australian taxation treatment, as at the date of this Information Memorandum, of payments of interest (which for the purposes of this summary includes amounts in the nature of interest, such as, but not limited to, original issue discount or premium) on the Notes. It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (such as dealers in securities). Prospective holders of the Notes should be aware that the particular terms of issue of any series of Notes may affect the tax treatment of that series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders should obtain their own taxation advice regarding the taxation implications of investing in, or acquiring, the Notes.

### Interest derived by Noteholders located in Australia

Generally, interest on the Notes derived by a resident of Australia, or by a non-resident of Australia who derives the interest in carrying on business at or through a permanent establishment in Australia, will be liable to Australian income tax according to the laws of Australia.

The Issuer (or the Registrar and Paying Agent on its behalf) will be required to withhold tax from payments of interest paid under the Notes in accordance with Schedule 1 to the Taxation Administration Act 1953 (Australia) at the rate of 46.5% if a Noteholder has not supplied the appropriate tax file number or exemption details, or Australian business number if applicable. The Issuer will not be obliged to make any additional payments to Noteholders in respect of such tax withholdings.

### Interest derived by Noteholders located outside of Australia

Generally, interest on the Notes derived by a non-resident of Australia who does not derive the interest in carrying on business at or through a permanent establishment in Australia, or by a resident of Australia who derives the interest in carrying on business at or through a permanent establishment outside Australia, is subject to interest withholding tax at the rate of ten percent.

A person who is not a resident of Australia within the meaning of the Income Tax Assessment Act 1936 (Australia) (the **Australian Tax Act**) and who does not derive the interest in carrying on business at or through a permanent establishment in Australia and who has acquired or acquires any of the Notes will not incur or become liable for any Australian income tax (other than interest withholding tax) on interest payable in respect of the Notes. The terms of issue and the procedures for the issue of the Notes are intended to satisfy the conditions for exemption from interest withholding tax under Section 128F of the Australian Tax Act, as amended.

Interest paid by the Issuer will be exempt from Australian withholding tax under Section 128F if the Notes are issued in a manner that satisfies a “public offer” test. The public offer test will be satisfied if the Notes are issued as a result of being offered for issue:

- (a) to at least 10 persons each of whom:

- 
- (i) was carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
  - (ii) is not known, or suspected, by the Issuer to be an associate (as defined in Section 128F) of any of the other nine such persons; or
- (b) to at least 100 persons whom it is reasonable for the Issuer to regard as having acquired instruments similar to the Notes in the past or being likely to acquire instruments similar to the Notes in the future; or
  - (c) as a result of being accepted for listing on a stock exchange outside Australia, where the Issuer has entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Notes requiring the Issuer to seek such a listing; or
  - (d) as a result of negotiations being initiated publicly in electronic form, or in another form, that is used by financial markets for dealing in instruments similar to the Notes; or
  - (e) to a dealer, manager or underwriter in relation to the placement of Notes who, under an agreement with the Issuer, offered the Notes for sale within 30 days in a way covered by any of paragraphs (a) to (d) above.

The public offer test will not be satisfied if at the time of the issue the Issuer knows, or has reasonable grounds to suspect, that the Notes or an interest in the Notes was being, or would later be, acquired directly or indirectly by one of its Offshore Associates other than one acting in the capacity of a dealer, manager, or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme (within the meaning of the Corporations Act 2001 (Australia)). Nor will the exemption from interest withholding tax apply if, at the time of the payment of interest to a person, the Issuer knows or has reasonable grounds to suspect that the holder concerned is one of its Offshore Associates other than one receiving the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (within the meaning of the Corporations Act 2001 (Australia)).

An “Offshore Associate” is an associate (as defined in Section 128F) of the Issuer that is either a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, is a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside of Australia.

Subject to certain customary exceptions set out in the Terms and Conditions, the Issuer will be obliged to make additional payments to Noteholders in respect of any amounts withheld by the Issuer on account of Australian taxes.

## Recent Developments

The Australian Government has enacted a new regime for the taxation of financial arrangements (referred to as **TOFA**) which can affect the taxation of financial instruments such as the Notes. The new TOFA regime will apply to certain financial arrangements, such as the Notes, acquired on or after 1 July 2010 (or 1 July 2009, at the taxpayer's election). Taxpayers may elect for the new TOFA regime to apply to all financial arrangements held by them on 1 July 2010 (or 1 July 2009 if an election has been made to adopt that earlier commencement date). In the absence of such election, the existing law governing the taxation of financial arrangements will continue to apply to Notes acquired before the applicable commencement date. The existing law governing the taxation of financial arrangements will also continue to apply to Notes held by taxpayers that are not subject to the TOFA regime because they do not meet certain threshold requirements. In any case, the TOFA regime does not contain any measures that would override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Notes.

---

## Selling Restrictions

The Lead Manager has represented, warranted to and agreed with the Issuer that it will observe all applicable laws and regulations in each jurisdiction in which it may offer, sell or deliver Notes; and it will not directly or indirectly offer, sell, resell, reoffer or deliver Notes or distribute any offering material or any circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with all applicable laws and regulations.

The following restrictions apply:

### 1. United States of America

---

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Lead Manager represents, warrants and agrees that it has offered and sold, and will offer and sell Notes as part of its distribution or otherwise at any time only outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act (**Regulation S**). Accordingly, the Lead Manager represents, warrants and agrees that neither it, nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act. The Lead Manager also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Notes covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as part of their distribution or otherwise at any time. Terms used above have the meanings given to them in Regulation S under the Securities Act."

Terms used in this sub-section headed "United States of America" have the meaning given to them by Regulation S.

### 2. Australia

---

No prospectus or other disclosure document in relation to the Notes has been lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange Limited.

---

### 3. The United Kingdom

---

The Lead Manager represents, warrants and agrees that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of *Financial Services and Markets Act 2000* (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### 4. European Economic Area

---

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

---

For the purposes of this provision, the expression an *offer of Notes to the public* in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## 5. Japan

---

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the **Securities and Exchange Law**). The Lead Manager has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

## 6. Hong Kong

---

- (a) Notes are not to be offered for sale or sold in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**) by any document except:
- (i) to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent); or
  - (ii) in other circumstances which do not constitute an offer to the public within the meaning of the *Companies Ordinance (Cap 32)* of Hong Kong (**CO**);
  - (iii) to 'professional investors' within the meaning of the *Securities and Futures Ordinance (Cap 571)* of Hong Kong (the **SFO**) and any relevant rules; or
  - (iv) in other circumstances which do not result in the document being a 'prospectus' within the meaning of the CO.
- (b) No invitation or advertisement relating to the Notes (or document containing an invitation or advertisement) may be issued, or kept in the Lead Manager's possession for the purpose of issue, in or from Hong Kong or elsewhere, which is

---

directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or which are or are intended to be disposed of to "professional investors" within the meaning of the SFO and any relevant rules.

## 7. Singapore

---

The Lead Manager acknowledges that the Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Lead Manager represents, warrants and agrees that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person pursuant to section 275(1), or to any person pursuant to section 275(1A), and in accordance with the conditions specified in section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each of the following relevant persons specified in Section 275 of the SFA which has subscribed or purchased Notes, namely a person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 of the SFA except:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
- (ii) where no consideration is given for the transfer; or

---

(iii) by operation of law",

unless the provisions of Subdivision (2) of Division 1 of Part XIII of the SFA are complied with.

## **8. Amendments to Selling Restrictions**

---

If as the result of a change in or the making of any law, treaty or official directive or request (whether or not having the force of law, but if not having the force of law compliance with which is in accordance with the practice of responsible financial institutions in the country concerned) the Issuer, the Issuing Agent and Paying Agent or the Lead Manager reasonably determine that the foregoing sales restrictions require amendment or variation to ensure compliance with such law, treaty or official directive or request, the Issuer may promulgate new sales restrictions (as agreed between the Issuer and the Lead Manager) which shall take effect as if set out in the Schedule from the date specified in such notice.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

**Issuer**

**Tasmanian Public Finance Corporation**

144 Murray Street  
Hobart, Tasmania 7000  
Australia

Telephone: (61) 3 6233 7880  
Fax: (61) 3 6223 8541  
Attention: Chief Executive Officer

**Guarantor**

**The State of Tasmania**

**Lead Managers**

**UBS AG, Australia Branch**

Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Telephone: (+61 2) 9324 2920  
Fax: (+61 2) 9324 3832  
Attention: Head of Debt Capital Markets

**Commonwealth Bank of Australia**

Darling Park Tower 1  
Level 23, 201 Sussex Street  
Sydney NSW 2000

Telephone: (+61 2) 9118 1217  
Fax: (+61 2) 9118 1002  
Attention: Head of Debt Capital Markets

**Issuing Agent, Paying Agent and Registrar**

**Computershare Limited**

Investor Services  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067, Melbourne  
Australia

Fax: (+61 3) 9473 2535