CLAYTON UTZ

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Company Announcements Platform
Australian Securities Exchange
Brisbane
Fax 1300 135 638

Company Secretary
QR National Limited
Brisbane
By hand

25 November 2010

Substantial holder notice - QR National Limited ACN 146 335 622 (QRN)

We attach initial substantial holder notices in connection with the initial public offering and listing of QRN on the Australian Securities Exchange on behalf of the Joint Lead Managers (and their respective relevant affiliates) to the QRN initial public offering (as listed below).

These notices are technically required because the Joint Lead Managers (and certain of their affiliates) have "relevant interests" under the Corporations Act in 146,400,000 shares (or 6% of QRN) held by the State of Queensland as a result of the Joint Lead Managers and the State having entered into an over-allocation option and share lending deed (often referred to as a "greenshoe agreement"). "Relevant interests" can arise in circumstances where a person does not actually own shares, but simply has an option to purchase shares. (Under the above deed, 146,400,000 shares "over-allocated" under the offer are borrowed by the Joint Lead Managers from the State and delivered to investors. That number of shares must be returned to the State following the first 30 days of trading on QRN shares on ASX. The Joint Lead Managers may satisfy this requirement by sourcing shares from purchases on ASX and/or by exercising an option granted by the State to purchase up to 146,400,000 shares currently held by the State.) For further information on the over-allocation (and market stabilisation) arrangements in relation to QRN, refer to section 2.4.3 of the QR National Share Offer Document (which is available at www.asx.com.au) and the deed referred to above (a copy of which is annexed to the notices attached to this letter).

The 146,400,000 shares the subject of the loan are not owned by the Joint Lead Managers and will not be retained by them even if this option is exercised. These shares do not represent a "shortfall" under the offer or an allocation of that number of shares to the Joint Lead Managers as investors in QRN. The relevant interests of each of the Joint Lead Managers discussed above arise in respect of the same 146,400,000 shares (ie not 5 separate parcels of that number of shares) and will cease to be held by the Joint Lead Managers on return of the loan referred to above following the first 30 days of trading on QRN shares on ASX.

The attached notices also refer to other shares which the Joint Lead Managers are required to include in notices of this kind (including a parcel of 8,163,265 shares owned by the State which the Joint Lead Managers have a relevant interest in pursuant to clause 7 (Buffer stock) of the deed referred to above).

The Joint Lead Managers to the QRN initial public offering are Credit Suisse (Australia) Limited, Goldman Sachs & Partners Australia Pty Ltd, Merrill Lynch International (Australia) Ltd, RBS Equity Capital Markets (Australia) Limited and UBS AG, Australia Branch.

Yours faithfully

Clayton Utz

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Stuart Byrne, Partner
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sbyrne@claytonutz

Enc

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme	QR National Limited
ACN/ARSN	146 335 622

1. Details of substantial holder (1)

Name	RBS Equity Capital Markets (Australia) Limited, The Royal Bank of Scotland N.V. (Australia) Branch, RFS Holdings B.V. and the entities listed in Annexure A (Additional Entities)
ACN/ARSN (if applicable)	N/A

The holder became a substantial holder on 22/11/2010

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	154,563,265	154,563,265	6.33%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
RBS Equity Capital Markets (Australia) Limited	Relevant interest arising pursuant to section 608(1) of the Corporations Act being the same relevant interest held by other joint lead managers to the QR National initial public offering (as identified in the over-allocation option and share lending deed attached as Annexure "B" to this notice) in respect of shares owned by the State of Queensland which are the subject of the unexercised over-allocation option contained in that deed.	146,400,000 fully paid ordinary shares
	Relevant interest arising pursuant to section 608(1) of the Corporations Act being the same relevant interest held by the other joint lead managers to the QR National initial public offering (as identified in the over-allocation option and share lending deed attached as Annexure "B" to this notice) in respect of shares owned by the State of Queensland which are the subject of clause 7 (Buffer stock) of that deed.	8,163,265 fully paid ordinary shares
The Royal Bank of Scotland N.V. (Australia) Branch, RFS Holdings B.V. & Additional Entities	The Additional Entities are taken to have an equivalent relevant interest to The Royal Bank of Scotland N.V. (Australia) Branch by operation of section 608(3) of the Corporations Act as a result of RFS Holdings B.V. acquiring shares in The Royal Bank of Scotland N.V. (Australia) Branch.	

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
RBS Equity Capital Markets (Australia) Limited	The State of Queensland	The State of Queensland	146,400,000 fully paid ordinary shares
RBS Equity Capital Markets (Australia) Limited	The State of Queensland	RBS Equity Capital Markets (Australia) Limited or its nominee as nominee for unassociated third parties or to the extent not applicable, the Sate of Queensland.	8,163,265 fully paid ordinary shares
The Royal Bank of Scotland N.V. (Australia) Branch, RFS Holdings B.V. & Additional Entities	The Additional Entities are taken to have an equivalent relevant interest to The Royal Bank of Scotland N.V. (Australia) Branch by operation of section 608(3) of the Corporations Act as a result of RFS Holdings B.V. acquiring shares in The Royal Bank of Scotland N.V. (Australia) Branch.		

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
RBS Equity Capital Markets (Australia) Limited	22/11/2010	'Nil'	The mutual obligations set out in the over-allocation option and share lending deed (attached as Annexure "B" to this notice)	146,400,000 fully paid ordinary shares
RBS Equity Capital Markets (Australia) Limited	22/11/2010	'Nil'	'Nil'	8,163,265 fully paid ordinary shares
The Royal Bank of Scotland N.V. (Australia) Branch, RFS Holdings B.V. & Additional Entities	22/11/2010	-	As a result of the operation of section 608(3)	

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
The Royal Bank of Scotland N.V. (Australia) Branch	Level 22, 88 Phillip Street, Sydney NSW 2000
RBS Equity Capital Markets (Australia) Limited	Level 22, 88 Phillip Street, Sydney NSW 2000
RFS Holdings B.V.	Strawinskylaan 3105, 1077 ZX Amsterdam, The Netherlands
Banco Santander, S.A	Ciudad Grupo Santander, Edificio Pinar, Boadilla del Monte 28660, Madrid, Spain
The Royal Bank of Scotland Group plc	Royal Bank of Scotland Group, 5th Floor, 280 Bishopgate, London, EC2M 8RB, United Kingdom

Signature

print name Helen Bakoulis

capacity Secretary of Local Agent, RBS Group (Australia) Pty Limited (ACN 000 862 797) and authorised representative of the Additional Entities.

sign here

date 25/11/2010

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.

(6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(7) Include details of:

(a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."

(9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

RBS Equity Capital Markets (Australia) Limited and The Royal Bank of Scotland N.V. (Australia) Branch and RFS Holdings B.V.

Details of substantial holder

Entity	ACN/ARSN (if applicable)
RFS Holdings B.V.	N/A
The Royal Bank of Scotland Group plc (and its related bodies corporate)	N/A
Banco Santander, S.A. (and its related bodies corporate)	N/A

(together the **Additional Entities**)

This is Annexure A of 1 page referred to in the form 603 – Notice of initial substantial holder.

Signed:

Name: Helen Bakoulis

Capacity: Secretary of Local Agent, RBS Group (Australia) Pty Limited (ACN 000 862 797) and authorised representative of the Additional Entities.

Date: 25/11/2010

This is Annexure B of 29 pages referred to in Form 603 "Notice of initial substantial holder"

Signed:

Name: Helen Bakoulis

Capacity: Secretary of Local Agent, RBS Group (Australia) Pty Limited (ACN 000 862 797) and authorised representative of the Additional Entities.

Date: 25/11/2010

CLAYTON UTZ

Over-allocation option and share lending deed

The State of Queensland through Queensland Treasury
The State

Credit Suisse (Australia) Limited
Credit Suisse

Goldman Sachs & Partners Australia Pty Ltd
Goldman Sachs

Merrill Lynch International (Australia) Ltd
Merrill Lynch

RBS Equity Capital Markets (Australia) Limited
RBS

UBS AG, Australia Branch
UBS

Clayton Utz
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Our reference 722/80106144

Legal\302399264.1

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Over-allocation option and share lending deed

Parties	Details	
The State	Name	The State of Queensland through Queensland Treasury
	Address	GPO Box 611, Brisbane QLD 4001
	Fax	(07) 3225 1271
	Attention	Tim Spencer, Project Director, Commercial Transactions Team
Credit Suisse	Name	Credit Suisse (Australia) Limited
	ABN	94 007 016 300
	Address	Level 41, 101 Collins Street, MELBOURNE VIC 3000
	Telephone	+61 3 9280 1634
	Fax	+61 3 9280 1650
	Attention	Rob Stewart, Managing Director and Co-Head of Investment Banking, Australia
	Copy to	Head of Legal (fax +61 2 8205 4368)
Goldman Sachs	Name	Goldman Sachs & Partners Australia Pty Ltd
	ABN	21 006 797 897
	Address	Level 17, 101 Collins Street, MELBOURNE VIC 3000
	Telephone	+61 3 9679 1456
	Fax	+61 3 9679 1112
	Attention	Graham Goldsmith, Vice Chairman
	Copy to	General Counsel (fax +61 3 9679 1686)
Merrill Lynch	Name	Merrill Lynch International (Australia) Ltd
	ABN	31 002 892 846
	Address	Level 38, Governor Phillip Tower, 1 Farrer Place, SYDNEY NSW 2000
	Telephone	+61 2 9225 6500
	Fax	+61 2 9226 5330
	Attention	Craig Drummond, Chief Executive Officer, Australia

	Copy to	General Counsel (fax +61 2 9225 6953)
RBS	Name	RBS Equity Capital Markets (Australia) Limited
	ABN	17 000 757 111
	Address	Level 22, RBS Tower, 88 Phillip Street, SYDNEY NSW 2000
	Telephone	+61 2 8259 5312
	Fax	+61 2 8259 5428
	Attention	Simon Perrott, Chairman, Investment Banking RBS Australia
	Copy to	General Counsel (fax +61 2 8259 5466)
UBS	Name	UBS AG, Australia Branch
	ABN	47 088 129 613
	Address	Level 16, Chifley Tower, 2 Chifley Square, SYDNEY NSW 2000
	Telephone	+61 2 9324 2493
	Fax	+61 2 9324 2424
	Attention	Nick Hughes, Managing Director
	Copy to	General Counsel (fax +61 2 9324 2558)

Background

A. The State proposes to undertake the Offer, in which the State will offer the Offer Shares to investors for purchase and the Company proposes to apply to be admitted to the official list of ASX and for quotation of its shares on the ASX.

B. The State and the Joint Lead Managers entered into the JLMAA which appointed the Joint Lead Managers to provide the Services set out in that agreement and, along with the Company, an Offer Management Deed to manage the Offer, including the Bookbuild for the Offer, and to provide settlement support for the settlement obligations of applicants under the Institutional Offer who are allocated Offer Shares.

C. Under the Offer Management Deed, the State, after consultation with the Joint Lead Managers, may over-allocate, in the Institutional Offer, Shares equal to up to 6% of the number of Shares on issue, or such lesser number as they determine.

D. The State has agreed to lend Shares, and grant an option to purchase Shares, on the terms and conditions set out in this document to enable the over-allocation of Shares under the Offer.

E. It is contemplated by the arrangements referred to in this document that the Joint Lead Managers may satisfy the obligation to redeliver Shares lent by the State by exercising an Over-allocation Option, or through purchases of Shares on the ASX, or a combination of both activities, pursuant to ASIC's No Action Letter and the ASX Stabilisation Agreement.

Operative provisions

1. Interpretation

1.1 Definitions in Offer Management Deed

Capitalised terms used in this document and not defined have the meaning assigned in the Offer Management Deed.

1.2 Definitions

The following words have these meanings in this document unless the contrary intention appears.

Acquisition has the meaning given in clause 4.1.

ASX Stabilisation Agreement means the letter agreement between ASX and the Joint Lead Managers dated on or about 7 October 2010 in the form set out in Attachment A to this document or as otherwise agreed by the parties.

Borrowed Shares means Shares lent by the State to the Joint Lead Managers pursuant to clause 3.1.

Collateral Account means a cash collateral account (expected to be with the Commonwealth Bank of Australia) in the name of the State to be nominated to the Stabilisation Manager by the State prior to the Institutional Offer Closing Date.

Collateral Value in respect of Shares is the amount determined by multiplying the number of those Shares by the Institutional Offer Price.

Final Redelivery Date means the third Business Day occurring after the end of the Stabilisation Period.

Joint Lead Manager means each of Credit Suisse, Goldman Sachs, Merrill Lynch, RBS and UBS.

No Action Letter means the letter from ASIC to Allens Arthur Robinson dated on or about 6 October 2010 in the form set out in Attachment B to this document or as otherwise agreed by the parties.

Offer Management Deed means the deed of that name entered into on or about the date of this document between the parties and the Company.

Over-allocation Option means the option granted by the State to the Joint Lead Managers under clause 2.1.

Over-allocation Option Shares has the meaning given in clause 5.1.

Stabilisation Manager has the meaning given in the No Action Letter.

Stabilisation Period has the meaning given in clause 2.2.

1.3 Incorporation of certain other terms in the Offer Management Deed

The following clauses from the Offer Management Deed are incorporated into this document as if set out in full in this document (ignoring any references in any of those clauses to the Company which would imply the Company as a party to this document):

(a) **(JLMAA takes precedence over this agreement)** 1.2;

(b) **(Timetable)** 1.3;

(c) **(References to certain general terms)** 1.4;

(d) **(Headings)** 1.5;

(e) **(No underwriting)** 1.7;

(f) **(GST)** 13;

(g) **(Notices)** 14; and

(h) **(General)** 15.

1.4 Compliance with regulatory directives

(a) In performing an obligation or exercising a right under this document, each party will comply with applicable provisions of the No Action Letter and ASX Stabilisation Agreement.

(b) The parties acknowledge that activities ascribed to the Stabilisation Manager in this document may be performed by an Affiliated stabilisation broker appointed by it to perform those activities.

(c) If the Stabilisation Manager (or stabilisation broker) is not a party to this document, the Joint Lead Manager Affiliated with that entity will ensure that it performs the activities ascribed to it in this document in accordance with applicable provisions of this document, the No Action Letter and the ASX Stabilisation Agreement.

(d) To the extent that this document is in conflict with those regulatory directives in the No Action Letter or ASX Stabilisation Agreement, those regulatory directives prevail.

2. Over-allocation Option

2.1 Grant

The State hereby grants an option (**"Over-allocation Option"**) to the Joint Lead Managers for the Joint Lead Managers to purchase from the State a number of Shares up to the number of Over-allocation Shares at the Institutional Offer Price per Share in the manner described in this document.

2.2 Stabilisation purchases

The State may, in consultation with the Joint Lead Managers, at any time during the 30 days commencing on the first day of trading of Shares on the ASX (**"Stabilisation Period"**) authorise the Stabilisation Manager to bid for and purchase Shares up to the number of Over-allocation Shares on the ASX in accordance with the requirements of the No Action Letter and ASX Stabilisation Agreement. For the avoidance of doubt, once the State has authorised the

Stabilisation Manager to make such bids and purchases, subject to compliance with the requirements of the No Action Letter and ASX Stabilisation Agreement, the number and value of such bids shall be at the discretion of the Stabilisation Manager.

2.3 Exercise of Over-allocation Option

The Joint Lead Managers may exercise the Over-allocation Option in whole or in part on or before the Final Redelivery Date (but only in the manner described in clause 5).

3. Share Borrowing

3.1 Loan of Shares by Joint Lead Managers

(a) In order to allow settlement of any over allocation of Offer Shares under the Institutional Offer, the State agrees to lend to the Joint Lead Managers, on the Settlement Date, Shares (**"Borrowed Shares"**) equal to the number of Over-allocation Shares.

(b) The number of Borrowed Shares shall be as set out in a written notice given to the State by the Joint Lead Managers by not later than 10.00am on the day prior to the first day of the Stabilisation Period.

(c) The Borrowed Shares shall be allocated in accordance with the procedures set out in clause 4.3 of the Offer Management Deed.

(d) The parties acknowledge that Borrowed Shares shall be Offer Shares for the purposes of the Offer Management Deed and that the loan and delivery of Borrowed Shares will constitute an offer, sale, grant or transfer by the State of Queensland of Shares or an interest in Shares to another person under or pursuant to the terms of the Share Offer Document or the Institutional Offering Memorandum.

3.2 Delivery of Borrowed Shares to Joint Lead Managers

The State shall deliver or cause to be delivered the Borrowed Shares to the Joint Lead Managers, or, at the request of the Joint Lead Managers, directly to or for the account of the persons to whom they have allocated Offer Shares, together with such documents of transfer of title, instruments and other documents, in accordance with clause 5 of the Offer Management Deed or as may be required by the CHESS Rules to facilitate delivery and settlement of the Borrowed Shares.

3.3 Provision of Collateral Value for Borrowed Shares by Joint Lead Managers

(a) The Joint Lead Managers will transfer, or procure the transfer of, a deposit equal in value to the Collateral Value for the Borrowed Shares into the Collateral Account as security for the redelivery to the State of the Borrowed Shares by the Joint Lead Managers.

(b) The State acknowledges that no amount may be withdrawn from the Collateral Account except in accordance with this agreement or otherwise by agreement from the parties.

(c) All interest earned on funds deposited in the Collateral Account and held therein in accordance with the terms of this document shall belong solely to the State.

3.4 No recall of Shares

The State does not have the right to recall Borrowed Shares at any time prior to their redelivery by the Joint Lead Managers pursuant to this document.

4. Treatment of Shares acquired through stabilisation purchases

4.1 Redelivery or placement in nominee account

Where the Stabilisation Manager acquires Shares on the ASX in the circumstances referred to in clause 2.2 (in each case, an "**Acquisition**"), the Joint Lead Managers may elect to:

(a) redeliver those Shares to the State or its order; or

(b) place those Shares in a nominee account over which the State will have a floating charge on terms acceptable to the State to secure the return of an equal number of Borrowed Shares subject to and pending possible resale, as referred to in clause 4.2,

and require the State to release to the Joint Lead Managers or as they direct the purchase price payable in respect of the Acquisition from the Collateral Account in sufficient time to enable the funds so released to be used by the Stabilisation Manager to meet its settlement obligations in respect of the Acquisition.

4.2 Sale of acquired Shares

The Stabilisation Manager may, from time to time during the Stabilisation Period, sell Shares placed in the nominee account on the ASX provided that, unless the State otherwise agrees:

(a) the sale price shall not be less than the Institutional Offer Price per Share; and

(b) the proceeds of each such sale must be deposited into the Collateral Account by 5.00pm upon the relevant day of settlement.

4.3 Reporting obligations

Each day during the Stabilisation Period before trading commences, the Stabilisation Manager must notify the State of:

(a) the number of Shares purchased by the Stabilisation Manager on the previous trading day in the circumstances referred to in clause 2.2;

(b) the total number of all Shares purchased in the circumstances referred to in clause 2.2;

(c) the number of Shares sold by the Stabilisation Manager on the previous trading day in the circumstances referred to in clause 4.2; and

(d) the total number of all Shares purchased in the circumstances referred to in clause 4.2,

in each case, with a breakdown showing the price paid per Share in respect of each purchase or sale.

4.4 Redelivery of Shares remaining in the nominee account

Any Shares remaining in the nominee account at 5.00pm on the Final Redelivery Date (after any sales referred to in clause 4.2 or redeliveries referred to in clause 4.1) must be redelivered to the State by transfer out of that account to or at the direction of the State.

5. Redelivery of outstanding Borrowed Shares and exercise of the Over-allocation Option

5.1 Deemed redelivery and exercise

If following 5.00pm on the Final Redelivery Date, the number of Shares redelivered to or at the order of the State by or on behalf of the Joint Lead Managers (including under clauses 4.1(a) or 4.4) is less than the number of Borrowed Shares then:

(a) the Over-allocation Option shall be deemed exercised by the Joint Lead Managers with respect to the number of Shares not yet redelivered (such Shares being **Over-allocation Option Shares**);

(b) the Over-allocation Option Shares shall then be deemed redelivered by the Joint Lead Managers to the State;

(c) any obligation to redeliver Borrowed Shares (or equivalent shares to Borrowed Shares) shall be discharged; and

(d) the restrictions on the Collateral Account with respect to the redelivery of Borrowed Shares shall cease and the State shall have all rights to all moneys remaining in the Collateral Account.

5.2 Acknowledgements

The parties acknowledge that:

(a) purchases by the Joint Lead Managers of Over-allocation Option Shares may only take place in the manner described in clause 5.1; and

(b) while all warranties, comfort letters, opinions, due diligence and other provisions with respect to Offer Shares in the Offer Management Deed will relate to Over-allocation Shares, no additional warranties, comfort letters, opinions or due diligence in respect of Over-allocation Option Shares not provided for in the Offer Management Deed or this document will be required by the Joint Lead Managers.

6. Further acts

The parties shall execute and deliver or cause to be delivered all necessary documents and give all necessary instructions in accordance with the CHESS Rules to ensure that title to the Shares referred to in this document shall pass from one party to the other on delivery or redelivery, as the case may be, in accordance with the terms of this document, free from all liens, charges and encumbrances.

7. Buffer stock

7.1 Delivery of Buffer Shares

The State also agrees, to facilitate resolution of disputes arising from the Retail Offer, to deliver to the Joint Lead Managers or their nominee, a number of Shares to be determined by the State, after consultation with the Joint Lead Managers, on or before the Allocation Date (such Shares being **Buffer Shares**). Delivery of the Buffer Shares shall take place on the Settlement Date (or such other date as the parties may agree) in such manner as the State may determine after consultation with the Joint Lead Managers, and without any requirement for payment at that time.

7.2 Use of Buffer Shares

(a) The Buffer Shares may only be dealt with to resolve disputes arising from the Retail Offer, by the Joint Lead Managers selling them or procuring the sale of them, at the Retail Offer Price, to aggrieved Retail Investors (as defined in the Offer Management Deed) who are able to establish, in accordance with guidelines to be determined by the State after consultation with the Joint Lead Managers before the Settlement Date, that they have been unfairly treated under the Offer. When the Joint Lead Managers sell or procure the sale of a Buffer Share to an aggrieved investor they must procure the simultaneous payment of the relevant purchase monies to the State, which will be accepted in full payment.

(b) For the purposes of this clause 7, and for the avoidance of doubt, the parties agree that no fees will be payable to the Joint Lead Managers in relation to Buffer Shares. If Buffer Shares are allocated to Retail Investors and the State has been paid the relevant purchase monies then the ASX broker (if any) that submitted the relevant Application (as defined in the Offer Document) may be eligible to receive a fee paid by the State pursuant to the Broker Procedures Manual to be issued on or about 11 October 2010.

7.3 Redelivery of Buffer Shares

If the Joint Lead Managers still hold Buffer Shares at the end of a three (3) month period commencing on the first day of the Stabilisation Period (or any other day the parties agree), they must redeliver them to the State or as it directs.

7.4 No economic benefit

(a) It is the intention of the parties that the Joint Lead Managers should receive no economic benefit, and suffer no economic detriment, from their holding of Buffer Shares or otherwise from the arrangements set out in this clause 7. To this end, the State will reimburse any costs of the Joint Lead Managers reasonably incurred in connection with the Buffer Share arrangements.

(b) The Joint Lead Managers assign all their right, title and interest to any dividends or other benefits resulting from their holding of Buffer Shares to the State for so long as they hold the relevant Buffer Shares. The Joint Lead Managers will direct the Company to pay or transfer any such dividends or benefits directly to the State.

(c) If the Joint Lead Managers or their nominee receive any dividends or other benefits as a result of their holding of Buffer Shares, they will hold those dividends or benefits on bare trust for the State.

(d) For the avoidance of doubt the Joint Lead Managers will not claim or be entitled to any franking credits in respect of such dividends that they are unable to pass or transfer to the State (and will not be in breach of their obligations under this clause 7 as a result of such failure to pass or transfer franking credits).

7.5 Further acts

The parties shall execute and deliver or cause to be delivered all necessary documents and give all necessary instructions in accordance with the rules and procedures of CHESS or otherwise to ensure that title to the Buffer Shares shall pass from one party to the other on delivery or redelivery, as the case may be, of Buffer Shares in accordance with the terms of this deed, free from all liens, charges and encumbrances.

8. Indemnity

(a) The State will indemnify and hold harmless the Joint Lead Managers and the Stabilisation Manager against any Australian documentary, stamp, transaction, registration or similar tax (but not including income tax or capital gains tax), including any interest and penalties, that may be payable or determined to be payable by them in relation to the:

(i) borrowing, creation, issuance, transfer and sale of Shares as provided for in this document;

(ii) execution, delivery, performance or enforcement of this document or any payment or receipt or any other transaction contemplated by this letter,

except to the extent that such payment obligation arose through the fraud, wilful misconduct or gross negligence of the Stabilisation Manager.

(b) All payments to be made by the State hereunder shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges whatsoever unless the State is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the State shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made provided, however, that any such payment of additional amounts by the State will not relieve the Joint Lead Managers of the ultimate obligation to pay Australian income tax, if any.

9. Representations and warranties

9.1 Representations and warranties of the State

The State represents and warrants to each Joint Lead Manager that:

(a) **(power)** it has power to enter into and comply with all of the terms and conditions of this document;

(b) **(authorisations)** all approvals and authorisations that are necessary or customary to:

(i) permit it to enter into this document and to perform this document in accordance with its terms; and

(ii) ensure that this document is legal, valid, binding and admissible in evidence,

have been obtained and remain valid and subsisting, and it is complying with any conditions to which any of these approvals or authorisations are subject; and

(c) **(validity of obligations)** this document is a valid and binding obligation on it.

9.2 Representations and warranties of the Joint Lead Managers

Each Joint Lead Manager severally represents and warrants to the State that:

(a) **(power)** it has power to enter into and comply with all of the terms and conditions of this document;

(b) **(authorisations)** all approvals and authorisations that are necessary or desirable to:

(i) permit it to enter into this document and to perform this document in accordance with its terms; and

(ii) ensure that this document is legal, valid and binding on it,

have been obtained and remain valid and subsisting, and it is complying with any conditions to which any of these approvals or authorisations are subject; and

(c) **(validity of obligations)** this document is a valid and binding obligation on it.

9.3 True and correct

(a) The State further warrants that each of the warranties set out in clause 9.1 is true and correct in every respect as at the date of this agreement and will be so at all times before and at the Final Redelivery Date.

(b) Each Joint Lead Manager further warrants that each of its warranties set out in clause 9.2 is true and correct in every respect as at the date of this agreement and will be so at all times before and at the Final Redelivery Date.

10. Fees and expenses

(a) Subject to paragraph (b), the State must pay or reimburse, all bona fide third party costs and expenses directly incurred by the Joint Lead Managers or the Stabilisation Manager (or stabilisation broker) in connection with the activities discussed in this document including but not limited to any trading, clearing or settlement fees incurred by the Joint Lead Managers or the Stabilisation Manager (or stabilisation broker) in connection with the acquisition of shares as well as any costs of ASX in relation to the establishment of the market stabilisation facilities (including any additional terminals or other equipment that may be required and normal trading and settlement fees).

(b) The Joint Lead Managers and the Stabilisation Manager (or stabilisation broker):

(i) must obtain the prior approval of the State for the incurring of any expenses referred to in paragraph (a);

(ii) must arrange for invoices from any third parties referred to in paragraph (a) and must perform such checking and verification of those invoices and supporting documentation as is appropriate including ensuring that there is an effective audit trail; and

(iii) must provide to the State, where it so requires, the originals of any such invoices and/or supporting documentation.

The State acknowledges that the requirements of 10(b)(i) are satisfied in respect of ASX's costs (including GST) paid or to be paid by the Stabalisation Manager in relation to the establishment of the market stabilisation facility as set out in the ASX Stabilisation Agreement.

Executed as a deed:

Execution by THE STATE:
EXECUTED)
for and on behalf of the STATE)
OF QUEENSLAND by)
)

Gerard Bradley) G Bradley

[insert name of person signing on the Party's behalf]) (signature of Government Party representative)

in the presence of:)

)

Cecelia Christensen) C Christensen

[insert name of witness]) (signature of witness)

)

this 7th day of October 2010.

Execution by CREDIT SUISSE:

EXECUTED)
for and on behalf of CREDIT)
SUISSE (AUSTRALIA) LIMITED)
(ACN 007 016 300))
under power of attorney)
dated 30 September 2010)
)

ADAM DARBY) ....

[insert name of person signing on the Party's behalf]) (signature of attorney)

in the presence of:)

)

NATALIE KRAHE) ....

[insert name of witness]) (signature of witness)

)

this 7th day of October 2010.

Execution by GOLDMAN SACHS:

EXECUTED)
for and on behalf of GOLDMAN)
SACHS & PARTNERS)
AUSTRALIA PTY LTD)
(ACN 006 797 897))
under power of attorney dated)
7 November 2005)
and sub power of attorney)
dated 19 January 2010)
)

....) ....

[insert name of person signing on the Party's behalf]) (signature of attorney)

....) ....

[insert name of person signing on the Party's behalf]) (signature of attorney)

in the presence of:)

....) ....

[insert name of witness]) (signature of witness)

this ______ day of ____________ 2010.

Execution by CREDIT SUISSE:

EXECUTED for and on behalf of CREDIT SUISSE (AUSTRALIA) LIMITED (ACN 007 016 300) under power of attorney dated 30 September 2010	)	
....	)	....
[insert name of person signing on the Party's behalf]	)	(signature of attorney)
in the presence of:	)	
....	)	....
[insert name of witness]	)	(signature of witness)

this ______ day of ______________ 2010.

Execution by GOLDMAN SACHS:

EXECUTED for and on behalf of GOLDMAN SACHS & PARTNERS AUSTRALIA PTY LTD (ACN 006 797 897) under power of attorney dated 7 November 2005 and sub power of attorney dated 19 January 2010	)	
NICK FORSTER	)	
[insert name of person signing on the Party's behalf]	)	(signature of attorney)
GRAHAM GOLDSMITH	)	
[insert name of person signing on the Party's behalf]	)	(signature of attorney)
in the presence of:	)	
LINA GALEA	)	
[insert name of witness]	)	(signature of witness)

this 7 day of October 2010.

Execution by MERRILL LYNCH:

EXECUTED
for and on behalf of
MERRILL LYNCH INTERNATIONAL
(AUSTRALIA) LIMITED
(ACN 002 892 846)

under power of attorney dated
6 October 2010

BRENDAN O'BRIEN

[insert name of person signing on the Party's behalf] (signature of attorney)

in the presence of:

Julian Donnan

[insert name of witness] (signature of witness)

this 7th day of October 2010.

Execution by RBS:

EXECUTED
for and on behalf of
RBS EQUITY CAPITAL MARKETS
(AUSTRALIA) LIMITED (ABN 17 000 757 111))
by its duly authorised signatories

....

[insert name of person signing on the Party's behalf] (signature of Authorised Signatory)

....

[insert name of person signing on the Party's behalf] (signature of Authorised Signatory)

this ________ day of ________________ 2010.

Execution by MERRILL LYNCH:

EXECUTED)
for and on behalf of)
MERRILL LYNCH INTERNATIONAL)
(AUSTRALIA) LIMITED)
(ACN 002 892 846))
)
under power of attorney dated)
6 October 2010)

....) ....

[insert name of person signing on the Party's behalf]) (signature of attorney)

in the presence of:)

)

....) ....

[insert name of witness]) (signature of witness)

)

this ________ day of __________________ 2010.

Execution by RBS:

EXECUTED)
for and on behalf of)
RBS EQUITY CAPITAL MARKETS)
(AUSTRALIA) LIMITED (ABN 17 000 757 111))
by its duly authorised signatories)
Natasha Davidson)
Director
....) ....

[insert name of person signing on the Party's behalf]) (signature of Authorised Signatory)

)
Jason Valmadre
Managing Director) ....

[insert name of person signing on the Party's behalf]) (signature of Authorised Signatory)

this 7th day of October 2010.

Execution by UBS:

EXECUTED
for and on behalf of
UBS AG, AUSTRALIA BRANCH
by its duly authorised signatories

JAMES ADAMSON) ....

[insert name of person signing on the Party's behalf]) (signature of Authorised Signatory)

ANNA SCHIBROWSKI) ....

[insert name of person signing on the Party's behalf]) (signature of Authorised Signatory)

in the presence of:)

TIFFANY WARD) ....

[insert name of witness]) (signature of witness)

this 7 day of october 2010.

Attachment A - ASX Stabilisation Agreement

Mr Rob Penney
Managing Director
Goldman Sachs & Partners Australia Pty Ltd
Level 42, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Mr Penney,

Re: Proposed sale of shares in QR National Limited – aftermarket stabilisation arrangements

I am writing to confirm the terms on which stabilisation privilege on the ASX automated trading system will be issued to Goldman Sachs & Partners Australia Pty Ltd as the participating agent for Credit Suisse (Australia) Limited, Goldman Sachs & Partners Australia Pty Ltd, Merrill Lynch International (Australia) Ltd, RBS Equity Capital Markets (Australia) Limited and UBS AG, Australia Branch (collectively the "Joint Lead Managers" or the "JLMs") in the conduct of market stabilisation arrangements in relation to the offering of QR National Shares as described in the offer documents dated, or to be dated, on or around 8 October 2010. Goldman Sachs & Partners Australia Pty Ltd is referred to as the "Stabilisation Manager" when acting in this capacity.

1. Trading

1.1. The only basis on which the Stabilisation Manager will be permitted to operate under the market stabilisation arrangements is as follows:

- the Stabilisation Manager may only enter stabilisation bids for the QR National Shares and not stabilisation offers to sell QR National Shares. Subject to the preceding sentence and for the avoidance of doubt, the Stabilisation Manager may sell QR National Shares it has purchased, pursuant to the stabilisation arrangements;
- the stabilising bids must identify the price and quantity (that is, no hidden quantities including undisclosed orders and iceberg orders);
- any stabilising bids must be entered into the trading system with an order type of Price Stabilisation. This will be displayed in the order depth of the workstation and on all signals with the order type of "PST";
- all trades executed against a stabilisation bid will be identified in the trading system with a condition code of "PST" and on all signals with a condition code of "ST";
- when entering stabilisation bids on the trading system, entered bids must be the lower of the highest current independent bid on ASX's automated trading system and the lowest price payable for securities by institutions under the offer ("Final Price"). In practical terms, this means that stabilising bids must not be entered into the trading system so that they have priority on the bid side or are executed directly against sell orders. This also means that stabilising bids at priority may not be amended to increase quantity if there are no other independent bids at that price;

- if, after the opening of trading of QR National shares on the first day of quotation, there have been no trades executed and there are no current independent bids on the trading system, a stabilising bid may be placed on the trading system at a price no higher than the Final Price provided it does not execute directly against a sell order;
- if, at any time after trades in QR National shares have been executed, and there are no current independent bids on the trading system, a stabilising bid may be placed on the trading system at a price no higher than the lower of the last automatically executed trade in QR National shares and the Final Price provided that it does not execute directly against a sell order;
- the Stabilisation Manager may only enter stabilisation bids during the Open Session State and Pre-CSPA (Pre Closing Single Price Auction). These bids must be cancelled prior to the end of the trading day;
- the Stabilisation Manager will be permitted to make multiple stabilisation bids only as permitted under the ASIC No-Action Letter (as defined below); and
- the Stabilisation Manager will be permitted to trade their other orders against stabilisation bids, as long as the stabilisation bids comply with the price constraints outlined in the ASIC No-Action Letter.

1.2. The Stabilisation Manager must also comply with all the conditions set out in the QR National No-Action Letter from ASIC dated on or around 6 October 2010 together with any amendments to that letter (the "No-Action Letter").

1.3. The Stabilisation Manager will be permitted to operate for a 30 day period from the date of commencement of trading in QR National shares. If trading commences on 22 November 2010, stabilisation may occur until 21 December 2010.

2. Disclosure

2.1. The Stabilisation Manager will disclose to ASX (and ASIC) all information which the Stabilisation Manager would need to disclose to a stock exchange under Regulation M of the Securities Exchange Act 2934 of the United States of America (to the extent that Regulation M can be applied to the market stabilisation arrangements). The information must be disclosed at the times that Regulation M would require the information to be provided, making it clear at the time of disclosure whether the information has been provided to ASX (and ASIC) for regulatory reporting purposes or for public disclosure purposes.

2.2. The Stabilisation Manager will establish and maintain all records which section 242.104(i) or Regulation M (to the extent that it can be applied) would require to be maintained and provide such records to ASX (and ASIC) upon request.

2.3. The Stabilisation Manager will make available to ASX (and ASIC), all information reasonably required concerning the activities of the Stabilisation Manager in relation to all trades executed in Australia and the aggregate short positions and the net over-allocation of QR National shares.

This information should be faxed to ASX on (02) 9235 1857 and marked to the attention of the Manager.

2.4. The Stabilisation Manager will notify to ASX (and ASIC) each trading day for public disclosure:

(a) the number of QR National Shares purchased on the previous trading day; and

(b) the total of all QR National Shares purchased to date; and

(c) under the market stabilisation arrangements.

This information should be faxed, to ASX Company announcements on 1300 135 638 and to ASIC marked for attention: Elliot Giakalis, Market & Participant Supervision on 02 9911 2369, each trading day before 9.30 am AEST.

3. Costs

3.1. The Stabilisation Manager will pay ASX's costs of $11,000 (including GST) in relation to the establishment of the market stabilisation facility. Should the Stabilisation Manager require additional terminals or other equipment, ASX's usual rates will apply. Normal trading and settlement fees will apply.

4. Responsibility and Liability of the Stabilisation Manager

4.1. The JLMs and the Stabilisation Manager are responsible for administering the market stabilisation arrangements and for complying with these terms and the terms in the No-Action Letter.

The stabilisation privilege is conditional upon compliance with all of the terms outlined in this letter.

Please confirm the JLMs and Stabilisation Manager accept the above terms by signing the duplicate of this letter and returning it to me.

Yours sincerely,

Robert Coaldrake
General Manager - Trading Operations and Markets

Cc: Bill Woods
Compliance Adviser - ASX Compliance

The JLM and Stabilisation Manager accept the above terms.

[***execution section to be inserted here***]

Attachment B - No Action Letter

Dear Ms Brown and Mr Donnan

Proposed float of QR National Limited—Market stabilisation

We refer to your letter dated 7 July 2010 applying for a no-action letter on behalf of QR National Limited (ACN 146 335 622) (**QR National**) and Goldman Sachs & Partners Australia Pty Ltd (the **Stabilisation Manager**) as a participant on the financial market conducted by ASX Limited (**ASX**) (collectively, the applicants).

In your letter, you asked the Australian Securities and Investments Commission (**ASIC**) to issue a no-action letter about the application of certain sections of Part 7.10 of the *Corporations Act 2001* (Act) to a proposed market stabilisation.

Note: The relevant sections of Part 7.10 are s1041H (misleading and deceptive conduct, 1041A (market manipulation), 1041B–1041C (market rigging) and 1043A (insider trading).

According to your letter, the market stabilisation would involve:

(a) a proposed public offering of securities in QR National (the offer) and the listing of QR National on a financial market conducted by ASX;

(b) an over-allocation by the State of Queensland (the **State**) in connection with the offer; and

(c) the purchasing of QR National securities on a financial market conducted by ASX for the purpose of absorbing price volatility.

As you are aware, it is not part of ASIC's function to provide legal advice on the interpretation and application of the laws it administers. However, because regulatory consequences may attach to the proposed market stabilisation, in this case, ASIC is prepared to state how it will administer the Act in relation to this conduct.

ASIC will not take any action on arguable breaches of s1041A–1041C, 1041H and 1043A of the Act:

(a) which occur solely as a result of the Stabilisation Manager participating in the proposed market stabilisation;

(b) if the market stabilisation is conducted in the way summarised in your letter; and

(c) the applicants comply with the conditions in Attachment A of this letter on:

(i) disclosure of stabilisation;

(ii) price of bids;

(iii) mechanics of bidding;

(iv) preventing insider trading;

(v) reporting and record-keeping;

(vi) period of stabilisation; and

(vii) limitations on refreshing the over-allotment option.

ASIC is providing this letter on the basis that ASIC and ASX believe that the combination of disclosure to them and to the market required by the conditions will (when combined with ASX's existing systems and rules) provide adequate and appropriate mechanisms to:

(a) minimise the risk of a false, misleading or uninformed market developing in QR National securities on a financial market conducted by ASX;

(b) enable ASIC to monitor trading in QR National securities on a financial market of ASX so as to identify at an early stage situations that may lead to a false, misleading or uninformed market in QR National securities on a financial market conducted by ASX; and

(c) allow ASIC or ASX (as appropriate) to take appropriate action in such situations.

This letter conveys a policy decision, not a legal opinion. It does not preclude third parties (including the Director of Public Prosecutions) from taking legal action in relation to conduct relating to the proposed market stabilisation or other conduct of that kind, nor will it necessarily impede a Court from holding that such conduct infringes the Act. ASIC does not represent that such conduct will not be held to contravene the Act, nor does it undertake to intervene in an action brought by third parties in respect of such conduct.

This letter is specific to the facts and circumstances of this particular case.

This letter is only a statement of ASIC's present intentions on the information available to it at this time. ASIC reserves its right to take action in the future; in particular, if there has been incomplete disclosure when the application for the no-action letter was submitted.

Please provide written confirmation that the applicants agree to the attached conditions.

Yours sincerely

[*insert name of ASIC officer*]

Attachment A

Disclosure of stabilisation

1. The State must disclose the nature and anticipated effect of the market stabilisation in the disclosure document for the offer.

2. All bids to purchase QR National securities by the Stabilisation Manager in connection with the market stabilisation (stabilisation bids) must be identifiable as such on the automated trading system of ASX.

3. Each day before trading commences, the Stabilisation Manager must notify QR National, ASIC and ASX of:

   (a) the number of securities purchased by the Stabilisation Manager on the previous trading day under the market stabilisation; and

   (b) the total number of all QR National securities purchased under the market stabilisation.

Price of bids

4. Stabilisation bids must be the lower of:

   (a) the highest current independent bid on ASX's automated trading system; and

   (b) the lowest price payable for securities by institutions under the offer (the final price).

5. If, after the opening of trading on ASX on the first day of quotation of the QR National securities, there have been no trades executed and there are no independent bids on ASX's automated trading system, stabilisation bids must be no higher in price than the final price.

6. If, at any time after trades in QR National securities have been executed, there are no independent bids on ASX's automated trading system, stabilisation bids may be placed on ASX's automated trading system at a price no higher than the lower of the price of the last automatically executed trade in QR National securities and the final price.

7. The Stabilisation Manager must not, directly or indirectly, effect any stabilising purchase at a price that the person stabilising knows or suspects, or has reason to know or suspect, is a result of activity that is fraudulent or deceptive.

Mechanics of bidding

8. The Stabilisation Manager may only enter stabilisation bids on ASX's automated trading system.

9. One of the State or the Stabilisation Manager must apply for (and each must comply with) a stabilisation agreement letter from ASX setting out the terms upon which ASX will issue the automated trading system stabilisation privilege to the Stabilisation Manager.

10. Stabilisation bids may only be made for the security being stabilised. That is, market stabilisation may not be pursued through offers to purchase securities that are derivatives of, or convertible into, the security being stabilised.

11. The Stabilisation Manager must identify the price and quantity of stabilisation bids and no undisclosed bids may be made.

12. Multiple bids are only permitted on the following conditions:

    (a) there may be no more than two stabilisation bids in the market at one time;

    (b) the Stabilisation Manager may only use two bids if the market conditions are such that two bids are required; and

    (c) multiple bids must not be used in a way which causes, or may cause, a false, misled or uninformed market developing in the relevant securities.

13. The Stabilisation Manager may trade other orders against stabilisation bids, provided the stabilisation bids comply with the price constraints in paragraphs 4–7 inclusive.

14. The Stabilisation Manager may only make stabilisation bids or purchase QR National securities during normal trading and the closing phase on ASX's automated trading system.

Preventing insider trading

15. The Stabilisation Manager must satisfy ASIC that it has adequate information barriers (also known as 'Chinese walls') and other procedures to prevent information on the market stabilisation or the relevant securities passing:

    (a) between the stabilisation broker and any other broker; or

    (b) between the designated trading representatives nominated by the Stabilisation Manager for the stabilisation bids and any other brokers, dealers or other employees of the Stabilisation Manager who are engaged in its securities dealing business.

Reporting and record-keeping

16. The Stabilisation Manager must notify ASX in advance of its intention to engage in market stabilisation and must submit to ASX information at such times and in such form as ASX requests, making it clear at the time whether the information has been provided to ASX for regulatory reporting or public disclosure purposes.

17. The Stabilisation Manager must make available to ASX in its regulatory capacity all information reasonably required by ASX about the activities of the Stabilisation Manager and the aggregate short positions and the net over-allocation of QR National securities under the market stabilisation.

18. The Stabilisation Manager must establish and maintain the following records which it must provide to ASX and ASIC upon request:

    (a) the name of the entity whose securities were subject to market stabilisation and the class of any security stabilised;

    (b) the price, date and time at which each stabilising purchase was effected;

    (c) the size of each stabilising purchase;

    (d) information on independent trades for the purpose of determining a maximum price for stabilisation;

    (e) details of counterparties;

    (f) the names and addresses of the Stabilisation Manager; and

    (g) all agreements relating to the market stabilisation.

19. ASIC may ask the State or the Stabilisation Manager to appoint an independent market analyst to prepare a report at the State's cost on:

    (a) the effect of the market stabilisation on the market for the relevant securities; and

    (b) the effectiveness of the conditions imposed by ASIC on the market stabilisation.

    ASIC may also ask that the report cover additional specific issues. The report must be provided to ASIC within 30 days of the end of the stabilisation period, for the purpose of conducting a review of the process.

Period of stabilisation

20. The Stabilisation Manager may purchase securities under the market stabilisation for a maximum of 30 calendar days commencing on the first day of trading of QR National securities on a financial market conducted by ASX.

Refreshing the over-allotment option

21. The Stabilisation Manager may sell QR National securities that have been previously purchased under the market stabilisation. However, this does not increase the net number of securities that the Stabilisation Manager can acquire under the market stabilisation. The Stabilisation Manager can only acquire securities under the market stabilisation up to the size of the overallotment. If the Stabilisation Manager sells shares purchased under the market stabilisation, the Stabilisation Manager may need to exercise its over-allotment option to cover the shortfall.

CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin

Company Announcements Platform
Australian Securities Exchange
Brisbane
Fax 1300 135 638

Company Secretary
QR National Limited
Brisbane
By hand

25 November 2010

Substantial holder notice - QR National Limited ACN 146 335 622 (QRN)

We attach initial substantial holder notices in connection with the initial public offering and listing of QRN on the Australian Securities Exchange on behalf of the Joint Lead Managers (and their respective relevant affiliates) to the QRN initial public offering (as listed below).

These notices are technically required because the Joint Lead Managers (and certain of their affiliates) have "relevant interests" under the Corporations Act in 146,400,000 shares (or 6% of QRN) held by the State of Queensland as a result of the Joint Lead Managers and the State having entered into an over-allocation option and share lending deed (often referred to as a "greenshoe agreement"). "Relevant interests" can arise in circumstances where a person does not actually own shares, but simply has an option to purchase shares. (Under the above deed, 146,400,000 shares "over-allocated" under the offer are borrowed by the Joint Lead Managers from the State and delivered to investors. That number of shares must be returned to the State following the first 30 days of trading on QRN shares on ASX. The Joint Lead Managers may satisfy this requirement by sourcing shares from purchases on ASX and/or by exercising an option granted by the State to purchase up to 146,400,000 shares currently held by the State.) For further information on the over-allocation (and market stabilisation) arrangements in relation to QRN, refer to section 2.4.3 of the QR National Share Offer Document (which is available at www.asx.com.au) and the deed referred to above (a copy of which is annexed to the notices attached to this letter).

The 146,400,000 shares the subject of the loan are not owned by the Joint Lead Managers and will not be retained by them even if this option is exercised. These shares do not represent a "shortfall" under the offer or an allocation of that number of shares to the Joint Lead Managers as investors in QRN. The relevant interests of each of the Joint Lead Managers discussed above arise in respect of the same 146,400,000 shares (ie not 5 separate parcels of that number of shares) and will cease to be held by the Joint Lead Managers on return of the loan referred to above following the first 30 days of trading on QRN shares on ASX.

The attached notices also refer to other shares which the Joint Lead Managers are required to include in notices of this kind (including a parcel of 8,163,265 shares owned by the State which the Joint Lead Managers have a relevant interest in pursuant to clause 7 (Buffer stock) of the deed referred to above).

The Joint Lead Managers to the QRN initial public offering are Credit Suisse (Australia) Limited, Goldman Sachs & Partners Australia Pty Ltd, Merrill Lynch International (Australia) Ltd, RBS Equity Capital Markets (Australia) Limited and UBS AG, Australia Branch.

Yours faithfully

Clayton Utz

Tim Reid, Partner
+61 7 3292 7014
treid@claytonutz.com

Stuart Byrne, Partner
+61 2 9353 4722
sbyrne@claytonutz

Enc

Form 603

Corporations Law
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme **QR National Limited**

ACN/ARSN **146 335 622**

1. Details of substantial holder (1)

Name: **UBS AG and its related bodies corporate**

ACN/ARSN (if applicable)

The holder became a substantial holder on: **22 November 2010**

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Fully paid ordinary shares	157,012,479	157,012,479	6.43%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities	
UBS AG, Australia Branch	Relevant interest arising pursuant to section 608 (1) of the Corporations Act being the same relevant interest held by the other joint lead managers to the QR National initial public offering (as identified in the over-allocation option and share lending deed attached as Annexure "A" to this notice) in respect of shares owned by the State of Queensland which are the subject of the unexercised over-allocation option contained in that deed	146,400,000	fully paid ordinary shares
UBS AG, Australia Branch	Relevant interest arising pursuant to section 608 (1) of the Corporations Act being the same relevant interest held by the other joint lead managers to the QR National initial public offering (as identified in the over-allocation option and share lending deed attached as Annexure "A" to this notice) in respect of shares owned by the State of Queensland which are the subject of clause 7 (Buffer stock) of that deed	8,163,265	fully paid ordinary shares
UBS AG, Australia Branch	Prime Broker with power to control the exercise of the power to dispose of shares pursuant to a Prime Broking Agreement (attached as Annexure "B" to this notice)	9,920	fully paid ordinary shares

UBS Securities Australia Ltd	Beneficial owner	322,500	fully paid ordinary shares
UBS AG, London Branch	Prime Broker with power to control the exercise of the power to dispose of shares pursuant to a Prime Broking Agreement (attached as Annexure "C" to this notice)	2,116,794	fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities	
UBS AG, Australia Branch	The State of Queensland	The State of Queensland	146,400,000	fully paid ordinary shares
UBS AG, Australia Branch	The State of Queensland	UBS AG, Australia Branch or its nominee as nominee for unassociated third parties or to the extent not applicable, the State of Queensland	8,163,265	fully paid ordinary shares
UBS AG, Australia Branch	UBS Nominees Pty Ltd	UBS AG, Australia Branch	9,920	fully paid ordinary shares
UBS Securities Australia Ltd	Brispot Nominees Pty Ltd	UBS Securities Australia Ltd	322,500	fully paid ordinary shares
UBS AG, London Branch	Citicorp Nominees Pty Ltd	UBS AG, London Branch	2,116,794	fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
UBS AG, Australia Branch	22 November 2010	Nil	The mutual obligations set out in the over-allocation option and share lending deed(attached as Annexure "A" to this notice)	146,400,000 fully paid ordinary shares
UBS AG, Australia Branch	22 November 2010	Nil	Nil	8,163,265 fully paid ordinary shares
UBS Securities Australia Ltd	22 November 2010	273,050	N/A	107,500 fully paid ordinary shares
UBS Securities Australia Ltd	22 November 2010	273,459	N/A	107,500 fully paid ordinary shares
UBS Securities Australia Ltd	22 November 2010	273,459	N/A	107,500 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ ARSN (if applicable)	Nature of association
UBS AG, Australia Branch	Related body corporate
UBS Securities Australia Ltd	Related body corporate
UBS AG, London Branch	Related body corporate
UBS Nominees Pty Ltd	Related body corporate
Brispot Nominees Pty Ltd	Related body corporate

7. Addresses

The addresses of persons named in this form are as follows:

Name	Addresses
Details of all UBS offices can be found through the following link: http://apps.ubs.com/locationfinder	

SIGNATURE

Print Name: Fiona Cheng Capacity: Authorised signatory

Sign Here: Date: 25 November 2010

Print Name: Edith Wong Capacity: Authorised signatory

Sign Here: Date: 25 November 2010

Contact details for this notice:

Tiffany Leung
Legal & Compliance
(T) +852 2971 8042
(F) +852 2971 7895

This is the Annexure "A" of 29 pages referred to in Form 603 "Notice of initial substantial holder"

.... Date: 25 November 2010

Fiona Cheng – Authorised Signatory, UBS AG

.... Date: 25 November 2010

Edith Wong – Authorised Signatory, UBS AG

CLAYTON UTZ

Over-allocation option and share lending deed

The State of Queensland through Queensland Treasury
The State

Credit Suisse (Australia) Limited
Credit Suisse

Goldman Sachs & Partners Australia Pty Ltd
Goldman Sachs

Merrill Lynch International (Australia) Ltd
Merrill Lynch

RBS Equity Capital Markets (Australia) Limited
RBS

UBS AG, Australia Branch
UBS

Clayton Utz
Lawyers
Levels 19-35 No. 1 O'Connell Street Sydney NSW 2000 Australia
PO Box H3 Australia Square Sydney NSW 1215
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Our reference 722/80106144

Contents

Over-allocation option and share lending deed

Parties	Details	
The State	Name	The State of Queensland through Queensland Treasury
	Address	GPO Box 611, Brisbane QLD 4001
	Fax	(07) 3225 1271
	Attention	Tim Spencer, Project Director, Commercial Transactions Team
Credit Suisse	Name	Credit Suisse (Australia) Limited
	ABN	94 007 016 300
	Address	Level 41, 101 Collins Street, MELBOURNE VIC 3000
	Telephone	+61 3 9280 1634
	Fax	+61 3 9280 1650
	Attention	Rob Stewart, Managing Director and Co-Head of Investment Banking, Australia
	Copy to	Head of Legal (fax +61 2 8205 4368)
Goldman Sachs	Name	Goldman Sachs & Partners Australia Pty Ltd
	ABN	21 006 797 897
	Address	Level 17, 101 Collins Street, MELBOURNE VIC 3000
	Telephone	+61 3 9679 1456
	Fax	+61 3 9679 1112
	Attention	Graham Goldsmith, Vice Chairman
	Copy to	General Counsel (fax +61 3 9679 1686)
Merrill Lynch	Name	Merrill Lynch International (Australia) Ltd
	ABN	31 002 892 846
	Address	Level 38, Governor Phillip Tower, 1 Farrer Place, SYDNEY NSW 2000
	Telephone	+61 2 9225 6500
	Fax	+61 2 9226 5330
	Attention	Craig Drummond, Chief Executive Officer, Australia

	Copy to	General Counsel (fax +61 2 9225 6953)
RBS	Name	RBS Equity Capital Markets (Australia) Limited
	ABN	17 000 757 111
	Address	Level 22, RBS Tower, 88 Phillip Street, SYDNEY NSW 2000
	Telephone	+61 2 8259 5312
	Fax	+61 2 8259 5428
	Attention	Simon Perrott, Chairman, Investment Banking RBS Australia
	Copy to	General Counsel (fax +61 2 8259 5466)
UBS	Name	UBS AG, Australia Branch
	ABN	47 088 129 613
	Address	Level 16, Chifley Tower, 2 Chifley Square, SYDNEY NSW 2000
	Telephone	+61 2 9324 2493
	Fax	+61 2 9324 2424
	Attention	Nick Hughes, Managing Director
	Copy to	General Counsel (fax +61 2 9324 2558)

Background

A. The State proposes to undertake the Offer, in which the State will offer the Offer Shares to investors for purchase and the Company proposes to apply to be admitted to the official list of ASX and for quotation of its shares on the ASX.

B. The State and the Joint Lead Managers entered into the JLMAA which appointed the Joint Lead Managers to provide the Services set out in that agreement and, along with the Company, an Offer Management Deed to manage the Offer, including the Bookbuild for the Offer, and to provide settlement support for the settlement obligations of applicants under the Institutional Offer who are allocated Offer Shares.

C. Under the Offer Management Deed, the State, after consultation with the Joint Lead Managers, may over-allocate, in the Institutional Offer, Shares equal to up to 6% of the number of Shares on issue, or such lesser number as they determine.

D. The State has agreed to lend Shares, and grant an option to purchase Shares, on the terms and conditions set out in this document to enable the over-allocation of Shares under the Offer.

E. It is contemplated by the arrangements referred to in this document that the Joint Lead Managers may satisfy the obligation to redeliver Shares lent by the State by exercising an Over-allocation Option, or through purchases of Shares on the ASX, or a combination of both activities, pursuant to ASIC's No Action Letter and the ASX Stabilisation Agreement.

Operative provisions

1. Interpretation

1.1 Definitions in Offer Management Deed

Capitalised terms used in this document and not defined have the meaning assigned in the Offer Management Deed.

1.2 Definitions

The following words have these meanings in this document unless the contrary intention appears.

Acquisition has the meaning given in clause 4.1.

ASX Stabilisation Agreement means the letter agreement between ASX and the Joint Lead Managers dated on or about 7 October 2010 in the form set out in Attachment A to this document or as otherwise agreed by the parties.

Borrowed Shares means Shares lent by the State to the Joint Lead Managers pursuant to clause 3.1.

Collateral Account means a cash collateral account (expected to be with the Commonwealth Bank of Australia) in the name of the State to be nominated to the Stabilisation Manager by the State prior to the Institutional Offer Closing Date.

Collateral Value in respect of Shares is the amount determined by multiplying the number of those Shares by the Institutional Offer Price.

Final Redelivery Date means the third Business Day occurring after the end of the Stabilisation Period.

Joint Lead Manager means each of Credit Suisse, Goldman Sachs, Merrill Lynch, RBS and UBS.

No Action Letter means the letter from ASIC to Allens Arthur Robinson dated on or about 6 October 2010 in the form set out in Attachment B to this document or as otherwise agreed by the parties.

Offer Management Deed means the deed of that name entered into on or about the date of this document between the parties and the Company.

Over-allocation Option means the option granted by the State to the Joint Lead Managers under clause 2.1.

Over-allocation Option Shares has the meaning given in clause 5.1.

Stabilisation Manager has the meaning given in the No Action Letter.

Stabilisation Period has the meaning given in clause 2.2.

1.3 Incorporation of certain other terms in the Offer Management Deed

The following clauses from the Offer Management Deed are incorporated into this document as if set out in full in this document (ignoring any references in any of those clauses to the Company which would imply the Company as a party to this document):

(a) **(JLMAA takes precedence over this agreement)** 1.2;

(b) **(Timetable)** 1.3;

(c) **(References to certain general terms)** 1.4;

(d) **(Headings)** 1.5;

(e) **(No underwriting)** 1.7;

(f) **(GST)** 13;

(g) **(Notices)** 14; and

(h) **(General)** 15.

1.4 Compliance with regulatory directives

(a) In performing an obligation or exercising a right under this document, each party will comply with applicable provisions of the No Action Letter and ASX Stabilisation Agreement.

(b) The parties acknowledge that activities ascribed to the Stabilisation Manager in this document may be performed by an Affiliated stabilisation broker appointed by it to perform those activities.

(c) If the Stabilisation Manager (or stabilisation broker) is not a party to this document, the Joint Lead Manager Affiliated with that entity will ensure that it performs the activities ascribed to it in this document in accordance with applicable provisions of this document, the No Action Letter and the ASX Stabilisation Agreement.

(d) To the extent that this document is in conflict with those regulatory directives in the No Action Letter or ASX Stabilisation Agreement, those regulatory directives prevail.

2. Over-allocation Option

2.1 Grant

The State hereby grants an option (**"Over-allocation Option"**) to the Joint Lead Managers for the Joint Lead Managers to purchase from the State a number of Shares up to the number of Over-allocation Shares at the Institutional Offer Price per Share in the manner described in this document.

2.2 Stabilisation purchases

The State may, in consultation with the Joint Lead Managers, at any time during the 30 days commencing on the first day of trading of Shares on the ASX (**"Stabilisation Period"**) authorise the Stabilisation Manager to bid for and purchase Shares up to the number of Over-allocation Shares on the ASX in accordance with the requirements of the No Action Letter and ASX Stabilisation Agreement. For the avoidance of doubt, once the State has authorised the

Stabilisation Manager to make such bids and purchases, subject to compliance with the requirements of the No Action Letter and ASX Stabilisation Agreement, the number and value of such bids shall be at the discretion of the Stabilisation Manager.

2.3 Exercise of Over-allocation Option

The Joint Lead Managers may exercise the Over-allocation Option in whole or in part on or before the Final Redelivery Date (but only in the manner described in clause 5).

3. Share Borrowing

3.1 Loan of Shares by Joint Lead Managers

(a) In order to allow settlement of any over allocation of Offer Shares under the Institutional Offer, the State agrees to lend to the Joint Lead Managers, on the Settlement Date, Shares (**"Borrowed Shares"**) equal to the number of Over-allocation Shares.

(b) The number of Borrowed Shares shall be as set out in a written notice given to the State by the Joint Lead Managers by not later than 10.00am on the day prior to the first day of the Stabilisation Period.

(c) The Borrowed Shares shall be allocated in accordance with the procedures set out in clause 4.3 of the Offer Management Deed.

(d) The parties acknowledge that Borrowed Shares shall be Offer Shares for the purposes of the Offer Management Deed and that the loan and delivery of Borrowed Shares will constitute an offer, sale, grant or transfer by the State of Queensland of Shares or an interest in Shares to another person under or pursuant to the terms of the Share Offer Document or the Institutional Offering Memorandum.

3.2 Delivery of Borrowed Shares to Joint Lead Managers

The State shall deliver or cause to be delivered the Borrowed Shares to the Joint Lead Managers, or, at the request of the Joint Lead Managers, directly to or for the account of the persons to whom they have allocated Offer Shares, together with such documents of transfer of title, instruments and other documents, in accordance with clause 5 of the Offer Management Deed or as may be required by the CHESS Rules to facilitate delivery and settlement of the Borrowed Shares.

3.3 Provision of Collateral Value for Borrowed Shares by Joint Lead Managers

(a) The Joint Lead Managers will transfer, or procure the transfer of, a deposit equal in value to the Collateral Value for the Borrowed Shares into the Collateral Account as security for the redelivery to the State of the Borrowed Shares by the Joint Lead Managers.

(b) The State acknowledges that no amount may be withdrawn from the Collateral Account except in accordance with this agreement or otherwise by agreement from the parties.

(c) All interest earned on funds deposited in the Collateral Account and held therein in accordance with the terms of this document shall belong solely to the State.

3.4 No recall of Shares

The State does not have the right to recall Borrowed Shares at any time prior to their redelivery by the Joint Lead Managers pursuant to this document.

4. Treatment of Shares acquired through stabilisation purchases

4.1 Redelivery or placement in nominee account

Where the Stabilisation Manager acquires Shares on the ASX in the circumstances referred to in clause 2.2 (in each case, an **"Acquisition"**), the Joint Lead Managers may elect to:

(a) redeliver those Shares to the State or its order; or

(b) place those Shares in a nominee account over which the State will have a floating charge on terms acceptable to the State to secure the return of an equal number of Borrowed Shares subject to and pending possible resale, as referred to in clause 4.2,

and require the State to release to the Joint Lead Managers or as they direct the purchase price payable in respect of the Acquisition from the Collateral Account in sufficient time to enable the funds so released to be used by the Stabilisation Manager to meet its settlement obligations in respect of the Acquisition.

4.2 Sale of acquired Shares

The Stabilisation Manager may, from time to time during the Stabilisation Period, sell Shares placed in the nominee account on the ASX provided that, unless the State otherwise agrees:

(a) the sale price shall not be less than the Institutional Offer Price per Share; and

(b) the proceeds of each such sale must be deposited into the Collateral Account by 5.00pm upon the relevant day of settlement.

4.3 Reporting obligations

Each day during the Stabilisation Period before trading commences, the Stabilisation Manager must notify the State of:

(a) the number of Shares purchased by the Stabilisation Manager on the previous trading day in the circumstances referred to in clause 2.2;

(b) the total number of all Shares purchased in the circumstances referred to in clause 2.2;

(c) the number of Shares sold by the Stabilisation Manager on the previous trading day in the circumstances referred to in clause 4.2; and

(d) the total number of all Shares purchased in the circumstances referred to in clause 4.2,

in each case, with a breakdown showing the price paid per Share in respect of each purchase or sale.

4.4 Redelivery of Shares remaining in the nominee account

Any Shares remaining in the nominee account at 5.00pm on the Final Redelivery Date (after any sales referred to in clause 4.2 or redeliveries referred to in clause 4.1) must be redelivered to the State by transfer out of that account to or at the direction of the State.

5. Redelivery of outstanding Borrowed Shares and exercise of the Over-allocation Option

5.1 Deemed redelivery and exercise

If following 5.00pm on the Final Redelivery Date, the number of Shares redelivered to or at the order of the State by or on behalf of the Joint Lead Managers (including under clauses 4.1(a) or 4.4) is less than the number of Borrowed Shares then:

(a) the Over-allocation Option shall be deemed exercised by the Joint Lead Managers with respect to the number of Shares not yet redelivered (such Shares being **Over-allocation Option Shares**);

(b) the Over-allocation Option Shares shall then be deemed redelivered by the Joint Lead Managers to the State;

(c) any obligation to redeliver Borrowed Shares (or equivalent shares to Borrowed Shares) shall be discharged; and

(d) the restrictions on the Collateral Account with respect to the redelivery of Borrowed Shares shall cease and the State shall have all rights to all moneys remaining in the Collateral Account.

5.2 Acknowledgements

The parties acknowledge that:

(a) purchases by the Joint Lead Managers of Over-allocation Option Shares may only take place in the manner described in clause 5.1; and

(b) while all warranties, comfort letters, opinions, due diligence and other provisions with respect to Offer Shares in the Offer Management Deed will relate to Over-allocation Shares, no additional warranties, comfort letters, opinions or due diligence in respect of Over-allocation Option Shares not provided for in the Offer Management Deed or this document will be required by the Joint Lead Managers.

6. Further acts

The parties shall execute and deliver or cause to be delivered all necessary documents and give all necessary instructions in accordance with the CHESS Rules to ensure that title to the Shares referred to in this document shall pass from one party to the other on delivery or redelivery, as the case may be, in accordance with the terms of this document, free from all liens, charges and encumbrances.

7. Buffer stock

7.1 Delivery of Buffer Shares

The State also agrees, to facilitate resolution of disputes arising from the Retail.Offer, to deliver to the Joint Lead Managers or their nominee, a number of Shares to be determined by the State, after consultation with the Joint Lead Managers, on or before the Allocation Date (such Shares being **Buffer Shares**). Delivery of the Buffer Shares shall take place on the Settlement Date (or such other date as the parties may agree) in such manner as the State may determine after consultation with the Joint Lead Managers, and without any requirement for payment at that time.

7.2 Use of Buffer Shares

(a) The Buffer Shares may only be dealt with to resolve disputes arising from the Retail Offer, by the Joint Lead Managers selling them or procuring the sale of them, at the Retail Offer Price, to aggrieved Retail Investors (as defined in the Offer Management Deed) who are able to establish, in accordance with guidelines to be determined by the State after consultation with the Joint Lead Managers before the Settlement Date, that they have been unfairly treated under the Offer. When the Joint Lead Managers sell or procure the sale of a Buffer Share to an aggrieved investor they must procure the simultaneous payment of the relevant purchase monies to the State, which will be accepted in full payment.

(b) For the purposes of this clause 7, and for the avoidance of doubt, the parties agree that no fees will be payable to the Joint Lead Managers in relation to Buffer Shares. If Buffer Shares are allocated to Retail Investors and the State has been paid the relevant purchase monies then the ASX broker (if any) that submitted the relevant Application (as defined in the Offer Document) may be eligible to receive a fee paid by the State pursuant to the Broker Procedures Manual to be issued on or about 11 October 2010.

7.3 Redelivery of Buffer Shares

If the Joint Lead Managers still hold Buffer Shares at the end of a three (3) month period commencing on the first day of the Stabilisation Period (or any other day the parties agree), they must redeliver them to the State or as it directs.

7.4 No economic benefit

(a) It is the intention of the parties that the Joint Lead Managers should receive no economic benefit, and suffer no economic detriment, from their holding of Buffer Shares or otherwise from the arrangements set out in this clause 7. To this end, the State will reimburse any costs of the Joint Lead Managers reasonably incurred in connection with the Buffer Share arrangements.

(b) The Joint Lead Managers assign all their right, title and interest to any dividends or other benefits resulting from their holding of Buffer Shares to the State for so long as they hold the relevant Buffer Shares. The Joint Lead Managers will direct the Company to pay or transfer any such dividends or benefits directly to the State.

(c) If the Joint Lead Managers or their nominee receive any dividends or other benefits as a result of their holding of Buffer Shares, they will hold those dividends or benefits on bare trust for the State.

(d) For the avoidance of doubt the Joint Lead Managers will not claim or be entitled to any franking credits in respect of such dividends that they are unable to pass or transfer to the State (and will not be in breach of their obligations under this clause 7 as a result of such failure to pass or transfer franking credits).

7.5 Further acts

The parties shall execute and deliver or cause to be delivered all necessary documents and give all necessary instructions in accordance with the rules and procedures of CHESS or otherwise to ensure that title to the Buffer Shares shall pass from one party to the other on delivery or redelivery, as the case may be, of Buffer Shares in accordance with the terms of this deed, free from all liens, charges and encumbrances.

8. Indemnity

(a) The State will indemnify and hold harmless the Joint Lead Managers and the Stabilisation Manager against any Australian documentary, stamp, transaction, registration or similar tax (but not including income tax or capital gains tax), including any interest and penalties, that may be payable or determined to be payable by them in relation to the:

(i) borrowing, creation, issuance, transfer and sale of Shares as provided for in this document;

(ii) execution, delivery, performance or enforcement of this document or any payment or receipt or any other transaction contemplated by this letter,

except to the extent that such payment obligation arose through the fraud, wilful misconduct or gross negligence of the Stabilisation Manager.

(b) All payments to be made by the State hereunder shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges whatsoever unless the State is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the State shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made provided, however, that any such payment of additional amounts by the State will not relieve the Joint Lead Managers of the ultimate obligation to pay Australian income tax, if any.

9. Representations and warranties

9.1 Representations and warranties of the State

The State represents and warrants to each Joint Lead Manager that:

(a) **(power)** it has power to enter into and comply with all of the terms and conditions of this document;

(b) **(authorisations)** all approvals and authorisations that are necessary or customary to:

(i) permit it to enter into this document and to perform this document in accordance with its terms; and

(ii) ensure that this document is legal, valid, binding and admissible in evidence,

have been obtained and remain valid and subsisting, and it is complying with any conditions to which any of these approvals or authorisations are subject; and

(c) **(validity of obligations)** this document is a valid and binding obligation on it.

9.2 Representations and warranties of the Joint Lead Managers

Each Joint Lead Manager severally represents and warrants to the State that:

(a) **(power)** it has power to enter into and comply with all of the terms and conditions of this document;

(b) **(authorisations)** all approvals and authorisations that are necessary or desirable to:

(i) permit it to enter into this document and to perform this document in accordance with its terms; and

(ii) ensure that this document is legal, valid and binding on it,

have been obtained and remain valid and subsisting, and it is complying with any conditions to which any of these approvals or authorisations are subject; and

(c) **(validity of obligations)** this document is a valid and binding obligation on it.

9.3 True and correct

(a) The State further warrants that each of the warranties set out in clause 9.1 is true and correct in every respect as at the date of this agreement and will be so at all times before and at the Final Redelivery Date.

(b) Each Joint Lead Manager further warrants that each of its warranties set out in clause 9.2 is true and correct in every respect as at the date of this agreement and will be so at all times before and at the Final Redelivery Date.

10. Fees and expenses

(a) Subject to paragraph (b), the State must pay or reimburse, all bona fide third party costs and expenses directly incurred by the Joint Lead Managers or the Stabilisation Manager (or stabilisation broker) in connection with the activities discussed in this document including but not limited to any trading, clearing or settlement fees incurred by the Joint Lead Managers or the Stabilisation Manager (or stabilisation broker) in connection with the acquisition of shares as well as any costs of ASX in relation to the establishment of the market stabilisation facilities (including any additional terminals or other equipment that may be required and normal trading and settlement fees).

(b) The Joint Lead Managers and the Stabilisation Manager (or stabilisation broker):

(i) must obtain the prior approval of the State for the incurring of any expenses referred to in paragraph (a);

(ii) must arrange for invoices from any third parties referred to in paragraph (a) and must perform such checking and verification of those invoices and supporting documentation as is appropriate including ensuring that there is an effective audit trail; and

(iii) must provide to the State, where it so requires, the originals of any such invoices and/or supporting documentation.

The State acknowledges that the requirements of 10(b)(i) are satisfied in respect of ASX's costs (including GST) paid or to be paid by the Stabalisation Manager in relation to the establishment of the market stabilisation facility as set out in the ASX Stabilisation Agreement.

Executed as a deed:

Execution by THE STATE:
EXECUTED)
for and on behalf of the STATE)
OF QUEENSLAND by)
)

Gerard Bradley) G Bradley

[insert name of person signing on the Party's behalf]) (signature of Government Party representative)

in the presence of:)

)

Cecelia Christensen) C Christensen

[insert name of witness]) (signature of witness)

)

this 7th day of October 2010.

Execution by CREDIT SUISSE:

EXECUTED for and on behalf of CREDIT SUISSE (AUSTRALIA) LIMITED (ACN 007 016 300) under power of attorney dated 30 September 2010	)
ADAM DARBY	) ....
[insert name of person signing on the Party's behalf]	) (signature of attorney)
in the presence of:	)
NATALIE KRAHE	) ....
[insert name of witness]	) (signature of witness)

this 7th day of October 2010.

Execution by GOLDMAN SACHS:

EXECUTED for and on behalf of GOLDMAN SACHS & PARTNERS AUSTRALIA PTY LTD (ACN 006 797 897) under power of attorney dated 7 November 2005 and sub power of attorney dated 19 January 2010	)
....	) ....
[insert name of person signing on the Party's behalf]	) (signature of attorney)
....	) ....
[insert name of person signing on the Party's behalf]	) (signature of attorney)
in the presence of:	)
....	) ....
[insert name of witness]	) (signature of witness)

this ______ day of ______________ 2010.

Execution by CREDIT SUISSE:

EXECUTED
for and on behalf of CREDIT SUISSE (AUSTRALIA) LIMITED (ACN 007 016 300) under power of attorney dated 30 September 2010

....

[insert name of person signing on the Party's behalf] (signature of attorney)

in the presence of:

....

[insert name of witness] (signature of witness)

this _______ day of _______________ 2010.

Execution by GOLDMAN SACHS:

EXECUTED
for and on behalf of GOLDMAN SACHS & PARTNERS AUSTRALIA PTY LTD (ACN 006 797 897) under power of attorney dated 7 November 2005 and sub power of attorney dated 19 January 2010

NICK FORSTER ....

[insert name of person signing on the Party's behalf] (signature of attorney)

GRAHAM GOLDSMITH ....

[insert name of person signing on the Party's behalf] (signature of attorney)

in the presence of:

LINA GALEA ....

[insert name of witness] (signature of witness)

this 7 day of October 2010.

Execution by MERRILL LYNCH:

EXECUTED)
for and on behalf of)
MERRILL LYNCH INTERNATIONAL)
(AUSTRALIA) LIMITED)
(ACN 002 892 846))
)
under power of attorney dated)
6 October 2010)

Brendan O'Brien) ....

[insert name of person signing on the Party's behalf]) (signature of attorney)

in the presence of:)

)
Julian Donnan) ....

[insert name of witness]) (signature of witness)

)

this 7th day of October 2010.

Execution by RBS:

EXECUTED)
for and on behalf of)
RBS EQUITY CAPITAL MARKETS)
(AUSTRALIA) LIMITED (ABN 17 000 757 111))
by its duly authorised signatories)
)

..............................) ....

[insert name of person signing on the Party's behalf]) (signature of Authorised Signatory)

)

..............................) ....

[insert name of person signing on the Party's behalf]) (signature of Authorised Signatory)

this ______ day of ______________ 2010.

Execution by MERRILL LYNCH:

EXECUTED **for and on behalf of** **MERRILL LYNCH INTERNATIONAL** **(AUSTRALIA) LIMITED** **(ACN 002 892 846)**	)	
under power of attorney dated **6 October 2010**	)	
....	)	....
[insert name of person signing on the Party's behalf]	)	(signature of attorney)
in the presence of:	)	
....	)	....
[insert name of witness]	)	(signature of witness)

this ________ day of ________________ 2010.

Execution by RBS:

EXECUTED **for and on behalf of** **RBS EQUITY CAPITAL MARKETS** **(AUSTRALIA) LIMITED (ABN 17 000 757 111)** **by its duly authorised signatories**	)	
Natasha Davidson Director	)	....
[insert name of person signing on the Party's behalf]	)	(signature of Authorised Signatory)
Jason Valmadre Managing Director	)	....
[insert name of person signing on the Party's behalf]	)	(signature of Authorised Signatory)

this 7th day of October 2010.

Execution by UBS:

EXECUTED
for and on behalf of
UBS AG, AUSTRALIA BRANCH
by its duly authorised signatories

JAMES ADAMSON	)
[insert name of person signing on the Party's behalf]	) (signature of Authorised Signatory)
ANNA SCHIBROWSKI	)
[insert name of person signing on the Party's behalf]	) (signature of Authorised Signatory)
in the presence of:	)
TIFFANY WARD	)
[insert name of witness]	) (signature of witness)

this 7 day of october 2010.

Attachment A - ASX Stabilisation Agreement

Mr Rob Penney
Managing Director
Goldman Sachs & Partners Australia Pty Ltd
Level 42, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Mr Penney,

Re: Proposed sale of shares in QR National Limited – aftermarket stabilisation arrangements

I am writing to confirm the terms on which stabilisation privilege on the ASX automated trading system will be issued to Goldman Sachs & Partners Australia Pty Ltd as the participating agent for Credit Suisse (Australia) Limited, Goldman Sachs & Partners Australia Pty Ltd, Merrill Lynch International (Australia) Ltd, RBS Equity Capital Markets (Australia) Limited and UBS AG, Australia Branch (collectively the "Joint Lead Managers" or the "JLMs") in the conduct of market stabilisation arrangements in relation to the offering of QR National Shares as described in the offer documents dated, or to be dated, on or around 8 October 2010. Goldman Sachs & Partners Australia Pty Ltd is referred to as the "Stabilisation Manager" when acting in this capacity.

1. Trading

1.1. The only basis on which the Stabilisation Manager will be permitted to operate under the market stabilisation arrangements is as follows:

- the Stabilisation Manager may only enter stabilisation bids for the QR National Shares and not stabilisation offers to sell QR National Shares. Subject to the preceding sentence and for the avoidance of doubt, the Stabilisation Manager may sell QR National Shares it has purchased, pursuant to the stabilisation arrangements;
- the stabilising bids must identify the price and quantity (that is, no hidden quantities including undisclosed orders and iceberg orders);
- any stabilising bids must be entered into the trading system with an order type of Price Stabilisation. This will be displayed in the order depth of the workstation and on all signals with the order type of "PST";
- all trades executed against a stabilisation bid will be identified in the trading system with a condition code of "PST" and on all signals with a condition code of "ST";
- when entering stabilisation bids on the trading system, entered bids must be the lower of the highest current independent bid on ASX's automated trading system and the lowest price payable for securities by institutions under the offer ("Final Price"). In practical terms, this means that stabilising bids must not be entered into the trading system so that they have priority on the bid side or are executed directly against sell orders. This also means that stabilising bids at priority may not be amended to increase quantity if there are no other independent bids at that price;

- if, after the opening of trading of QR National shares on the first day of quotation, there have been no trades executed and there are no current independent bids on the trading system, a stabilising bid may be placed on the trading system at a price no higher than the Final Price provided it does not execute directly against a sell order; .

- if, at any time after trades in QR National shares have been executed, and there are no current independent bids on the trading system, a stabilising bid may be placed on the trading system at a price no higher than the lower of the last automatically executed trade in QR National shares and the Final Price provided that it does not execute directly against a sell order;

- the Stabilisation Manager may only enter stabilisation bids during the Open Session State and Pre-CSPA (Pre Closing Single Price Auction). These bids must be cancelled prior to the end of the trading day;

- the Stabilisation Manager will be permitted to make multiple stabilisation bids only as permitted under the ASIC No-Action Letter (as defined below); and

- the Stabilisation Manager will be permitted to trade their other orders against stabilisation bids, as long as the stabilisation bids comply with the price constraints outlined in the ASIC No-Action Letter.

1.2. The Stabilisation Manager must also comply with all the conditions set out in the QR National No-Action Letter from ASIC dated on or around 6 October 2010 together with any amendments to that letter (the "No-Action Letter").

1.3. The Stabilisation Manager will be permitted to operate for a 30 day period from the date of commencement of trading in QR National shares. If trading commences on 22 November 2010, stabilisation may occur until 21 December 2010.

2. Disclosure

2.1. The Stabilisation Manager will disclose to ASX (and ASIC) all information which the Stabilisation Manager would need to disclose to a stock exchange under Regulation M of the Securities Exchange Act 2934 of the United States of America (to the extent that Regulation M can be applied to the market stabilisation arrangements). The information must be disclosed at the times that Regulation M would require the information to be provided, making it clear at the time of disclosure whether the information has been provided to ASX (and ASIC) for regulatory reporting purposes or for public disclosure purposes.

2.2. The Stabilisation Manager will establish and maintain all records which section 242.104(i) or Regulation M (to the extent that it can be applied) would require to be maintained and provide such records to ASX (and ASIC) upon request.

2.3. The Stabilisation Manager will make available to ASX (and ASIC), all information reasonably required concerning the activities of the Stabilisation Manager in relation to all trades executed in Australia and the aggregate short positions and the net over-allocation of QR National shares.

This information should be faxed to ASX on (02) 9235 1857 and marked to the attention of the Manager.

2.4. The Stabilisation Manager will notify to ASX (and ASIC) each trading day for public disclosure:

(a) the number of QR National Shares purchased on the previous trading day; and

(b) the total of all QR National Shares purchased to date; and

(c) under the market stabilisation arrangements.

This information should be faxed, to ASX Company announcements on 1300 135 638 and to ASIC marked for attention: Elliot Giakalis, Market & Participant Supervision on 02 9911 2369, each trading day before 9.30 am AEST.

3. Costs

3.1. The Stabilisation Manager will pay ASX's costs of $11,000 (including GST) in relation to the establishment of the market stabilisation facility. Should the Stabilisation Manager require additional terminals or other equipment, ASX's usual rates will apply. Normal trading and settlement fees will apply.

4. Responsibility and Liability of the Stabilisation Manager

4.1. The JLMs and the Stabilisation Manager are responsible for administering the market stabilisation arrangements and for complying with these terms and the terms in the No-Action Letter.

The stabilisation privilege is conditional upon compliance with all of the terms outlined in this letter.

Please confirm the JLMs and Stabilisation Manager accept the above terms by signing the duplicate of this letter and returning it to me.

Yours sincerely,

Robert Coaldrake
General Manager - Trading Operations and Markets

Cc: Bill Woods
Compliance Adviser - ASX Compliance

The JLM and Stabilisation Manager accept the above terms.

[***execution section to be inserted here***]

Attachment B - No Action Letter

Dear Ms Brown and Mr Donnan

Proposed float of QR National Limited—Market stabilisation

We refer to your letter dated 7 July 2010 applying for a no-action letter on behalf of QR National Limited (ACN 146 335 622) (**QR National**) and Goldman Sachs & Partners Australia Pty Ltd (the **Stabilisation Manager**) as a participant on the financial market conducted by ASX Limited (**ASX**) (collectively, the applicants).

In your letter, you asked the Australian Securities and Investments Commission (**ASIC**) to issue a no-action letter about the application of certain sections of Part 7.10 of the *Corporations Act 2001* (Act) to a proposed market stabilisation.

Note: The relevant sections of Part 7.10 are s1041H (misleading and deceptive conduct, 1041A (market manipulation), 1041B–1041C (market rigging) and 1043A (insider trading).

According to your letter, the market stabilisation would involve:

(a) a proposed public offering of securities in QR National (the offer) and the listing of QR National on a financial market conducted by ASX;

(b) an over-allocation by the State of Queensland (the **State**) in connection with the offer; and

(c) the purchasing of QR National securities on a financial market conducted by ASX for the purpose of absorbing price volatility.

As you are aware, it is not part of ASIC's function to provide legal advice on the interpretation and application of the laws it administers. However, because regulatory consequences may attach to the proposed market stabilisation, in this case, ASIC is prepared to state how it will administer the Act in relation to this conduct.

ASIC will not take any action on arguable breaches of s1041A–1041C, 1041H and 1043A of the Act:

(a) which occur solely as a result of the Stabilisation Manager participating in the proposed market stabilisation;

(b) if the market stabilisation is conducted in the way summarised in your letter; and

(c) the applicants comply with the conditions in Attachment A of this letter on:

(i) disclosure of stabilisation;

(ii) price of bids;

(iii) mechanics of bidding;

(iv) preventing insider trading;

(v) reporting and record-keeping;

(vi) period of stabilisation; and

(vii) limitations on refreshing the over-allotment option.

ASIC is providing this letter on the basis that ASIC and ASX believe that the combination of disclosure to them and to the market required by the conditions will (when combined with ASX's existing systems and rules) provide adequate and appropriate mechanisms to:

(a) minimise the risk of a false, misleading or uninformed market developing in QR National securities on a financial market conducted by ASX;

(b) enable ASIC to monitor trading in QR National securities on a financial market of ASX so as to identify at an early stage situations that may lead to a false, misleading or uninformed market in QR National securities on a financial market conducted by ASX; and

(c) allow ASIC or ASX (as appropriate) to take appropriate action in such situations.

This letter conveys a policy decision, not a legal opinion. It does not preclude third parties (including the Director of Public Prosecutions) from taking legal action in relation to conduct relating to the proposed market stabilisation or other conduct of that kind, nor will it necessarily impede a Court from holding that such conduct infringes the Act. ASIC does not represent that such conduct will not be held to contravene the Act, nor does it undertake to intervene in an action brought by third parties in respect of such conduct.

This letter is specific to the facts and circumstances of this particular case.

This letter is only a statement of ASIC's present intentions on the information available to it at this time. ASIC reserves its right to take action in the future; in particular, if there has been incomplete disclosure when the application for the no-action letter was submitted.

Please provide written confirmation that the applicants agree to the attached conditions.

Yours sincerely

[*insert name of ASIC officer*]

Attachment A

Disclosure of stabilisation

1. The State must disclose the nature and anticipated effect of the market stabilisation in the disclosure document for the offer.

2. All bids to purchase QR National securities by the Stabilisation Manager in connection with the market stabilisation (stabilisation bids) must be identifiable as such on the automated trading system of ASX.

3. Each day before trading commences, the Stabilisation Manager must notify QR National, ASIC and ASX of:

   (a) the number of securities purchased by the Stabilisation Manager on the previous trading day under the market stabilisation; and

   (b) the total number of all QR National securities purchased under the market stabilisation.

Price of bids

4. Stabilisation bids must be the lower of:

   (a) the highest current independent bid on ASX's automated trading system; and

   (b) the lowest price payable for securities by institutions under the offer (the final price).

5. If, after the opening of trading on ASX on the first day of quotation of the QR National securities, there have been no trades executed and there are no independent bids on ASX's automated trading system, stabilisation bids must be no higher in price than the final price.

6. If, at any time after trades in QR National securities have been executed, there are no independent bids on ASX's automated trading system, stabilisation bids may be placed on ASX's automated trading system at a price no higher than the lower of the price of the last automatically executed trade in QR National securities and the final price.

7. The Stabilisation Manager must not, directly or indirectly, effect any stabilising purchase at a price that the person stabilising knows or suspects, or has reason to know or suspect, is a result of activity that is fraudulent or deceptive.

Mechanics of bidding

8. The Stabilisation Manager may only enter stabilisation bids on ASX's automated trading system.

9. One of the State or the Stabilisation Manager must apply for (and each must comply with) a stabilisation agreement letter from ASX setting out the terms upon which ASX will issue the automated trading system stabilisation privilege to the Stabilisation Manager.

10. Stabilisation bids may only be made for the security being stabilised. That is, market stabilisation may not be pursued through offers to purchase securities that are derivatives of, or convertible into, the security being stabilised.

11. The Stabilisation Manager must identify the price and quantity of stabilisation bids and no undisclosed bids may be made.

12. Multiple bids are only permitted on the following conditions:

    (a) there may be no more than two stabilisation bids in the market at one time;

    (b) the Stabilisation Manager may only use two bids if the market conditions are such that two bids are required; and

    (c) multiple bids must not be used in a way which causes, or may cause, a false, misled or uninformed market developing in the relevant securities.

13. The Stabilisation Manager may trade other orders against stabilisation bids, provided the stabilisation bids comply with the price constraints in paragraphs 4–7 inclusive.

14. The Stabilisation Manager may only make stabilisation bids or purchase QR National securities during normal trading and the closing phase on ASX's automated trading system.

Preventing insider trading

15. The Stabilisation Manager must satisfy ASIC that it has adequate information barriers (also known as 'Chinese walls') and other procedures to prevent information on the market stabilisation or the relevant securities passing:

    (a) between the stabilisation broker and any other broker; or

    (b) between the designated trading representatives nominated by the Stabilisation Manager for the stabilisation bids and any other brokers, dealers or other employees of the Stabilisation Manager who are engaged in its securities dealing business.

Reporting and record-keeping

16. The Stabilisation Manager must notify ASX in advance of its intention to engage in market stabilisation and must submit to ASX information at such times and in such form as ASX requests, making it clear at the time whether the information has been provided to ASX for regulatory reporting or public disclosure purposes.

17. The Stabilisation Manager must make available to ASX in its regulatory capacity all information reasonably required by ASX about the activities of the Stabilisation Manager and the aggregate short positions and the net over-allocation of QR National securities under the market stabilisation.

18. The Stabilisation Manager must establish and maintain the following records which it must provide to ASX and ASIC upon request:

    (a) the name of the entity whose securities were subject to market stabilisation and the class of any security stabilised;

    (b) the price, date and time at which each stabilising purchase was effected;

    (c) the size of each stabilising purchase;

    (d) information on independent trades for the purpose of determining a maximum price for stabilisation;

    (e) details of counterparties;

    (f) the names and addresses of the Stabilisation Manager; and

    (g) all agreements relating to the market stabilisation.

19. ASIC may ask the State or the Stabilisation Manager to appoint an independent market analyst to prepare a report at the State's cost on:

    (a) the effect of the market stabilisation on the market for the relevant securities; and

    (b) the effectiveness of the conditions imposed by ASIC on the market stabilisation.

ASIC may also ask that the report cover additional specific issues. The report must be provided to ASIC within 30 days of the end of the stabilisation period, for the purpose of conducting a review of the process.

Period of stabilisation

20. The Stabilisation Manager may purchase securities under the market stabilisation for a maximum of 30 calendar days commencing on the first day of trading of QR National securities on a financial market conducted by ASX.

Refreshing the over-allotment option

21. The Stabilisation Manager may sell QR National securities that have been previously purchased under the market stabilisation. However, this does not increase the net number of securities that the Stabilisation Manager can acquire under the market stabilisation. The Stabilisation Manager can only acquire securities under the market stabilisation up to the size of the overallotment. If the Stabilisation Manager sells shares purchased under the market stabilisation, the Stabilisation Manager may need to exercise its over-allotment option to cover the shortfall.

This is the Annexure "B" of 4 pages referred to in Form 603 "Notice of initial substantial holder"

....

Fiona Cheng – Authorised Signatory, UBS AG

Date: 25 November 2010

....

Edith Wong – Authorised Signatory, UBS AG

Date: 25 November 2010

Annexure B

PRIME BROKERAGE AGREEMENT

Details

Interpretation – definitions are at the end of the General terms

Parties	UBS and Customer	
UBS	Name	**UBS AG, Australia Branch**
	ABN	47 088 129 613
	AFSL	231 087
	Address	Level 16 Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000
	Telephone	+61 2 9324 2000
	Fax	+61 2 9324 2558
	Attention	General Counsel
Customer	Name	
	ABN	
	AFSL	
	Address	
	Telephone	
	Fax	
	Attention	
	Scheme	
	ARSN	
Recitals	A	The Customer wishes to appoint UBS to provide a prime brokerage service to the Customer in its capacity as trustee and manager of the Scheme.
	B	UBS wishes to accept that appointment.
Governing law	New South Wales	
Date of agreement	See Signing page	

10.2 Custodial Assets

UBS may request the Custodian at any time to pay or deliver to UBS any of the Custodial Assets, provided that UBS may only request the Custodian to deliver to UBS Custodial Assets which are ASX listed securities if such delivery would not cause UBS to have a 'relevant interest' for the purposes of the Corporations Act 2001 (C'th) of greater than 18% in any ASX listed entity. Subject to clauses 10.3, 10.4, 10.5 and 10.6 the Customer agrees that any Custodial Assets which UBS requests the Custodian to pay or deliver to UBS, or any Collateral, may be used by UBS for UBS's own account (including to borrow, lend, charge, re-hypothecate, dispose of or otherwise use for its own purposes) and in respect of UBS's obligations (or those of other customers of UBS) and, as a consequence, those Assets are not held by UBS for the Customer or the Custodian. UBS will have a contractual obligation to return equivalent Custodial Assets to the Custodian in accordance with clause 10.6. The Customer and the Custodian will in relation to the obligation to return equivalent Custodial Assets rank as one of UBS's general creditors in the event of UBS becoming Insolvent. Subject to clause 4.2 of the ASLA, UBS may retain all fees, profits and other benefits received in connection with such activities.

10.3 Express Authorisation for Collateral

Without limiting UBS's right to request transfer of any of the Custodial Assets under clause 10.2, the Customer expressly authorises UBS in its discretion to:

(a) identify any Collateral as being held as margin or security against a particular obligation of the Customer under this agreement or against an UBS Transaction;

(b) subject to clauses 10.2 and 10.5, transfer any Custodial Assets to UBS expressly as Collateral for any obligations of the Customer under this agreement or an UBS Transaction; and

(c) transfer the proceeds of a cash advance made to the Customer to any Related Entity to satisfy any margin or security requirement of a Related Entity in relation to a Transaction (provided that the Customer and UBS have previously agreed in writing that the Transaction is a Transaction to which this clause 10.3 applies).

10.4 No Derogation from Liability to provide Collateral

The authorisation of UBS set out in clause 10.3 does not derogate from the Customer's obligation to meet a demand for Outstanding Margin Requirement under clause 5.3 or any margin or security requirement owed to a Related Entity. Unless UBS agrees otherwise in a particular case, UBS is only deemed to have agreed to transfer Custodial Assets to meet an Outstanding Margin Requirement or transferring the proceeds of a cash advance to the Customer to meet a margin or security requirement of a Related Entity upon it actually transferring those Custodial Assets or proceeds (as applicable) and is not liable for failure to do so.

10.5 Provision of Collateral

Subject to UBS's rights under clause 10.2, Collateral which is required by UBS pursuant to clause 5, if provided to the Custodian, will be held by the Custodian as bare trustee for the Customer subject to the Security. Any other Collateral provided to UBS in accordance with clause 5 will be provided to UBS in accordance with the terms and conditions of the ASLA and with the Rules. Securities delivered by the Custodian to UBS under clause 10.2 will be deemed to be provided by the Customer to UBS in accordance with the terms and conditions of the ASLA and with the Rules. UBS will become the legal and beneficial owner of those securities upon taking delivery of them from the Custodian.

10.6 Custodial Assets to be borrowed by UBS

Any Custodial Assets which UBS has the Custodian pay or deliver to it, will be borrowed by UBS from the Customer in accordance with the terms and conditions of the ASLA and with the Rules. If any of the terms of the ASLA are inconsistent with any of the terms of this agreement, this agreement prevails to the extent of the inconsistency.

10.7 Withholding Taxes on Income

If a law requires UBS to deduct an amount in respect of Taxes in relation to any income or other payments to the Customer under this agreement, the Customer authorises UBS to make such deductions without any further express instructions. UBS will pay to the Customer the amount of income or other payments net of Taxes.

11 Representations, Warranties and Acknowledgment

11.1 Customer's representations and warranties

The Customer represents and warrants to UBS that:

(a) it has the power to enter into and perform its obligations under this agreement, and has duly executed this agreement so as to constitute valid and binding obligations of the Customer;

(b) it has duly executed this agreement in its capacity as trustee and manager of the Scheme and for the benefit of the beneficiaries of the Scheme;

(c) it holds such licences and authorities as are necessary to lawfully perform its obligations under this agreement;

(d) in giving any instructions under this agreement, the Customer will act as principal;

(e) in giving any instructions under this agreement, the Customer will act in accordance with the provisions of its constitution, the constitution of the Scheme or other constituent documents, any applicable laws and regulations and comply with any investment restrictions in any prospectus, information memorandum, investment management

This is the Annexure "C" of 5 pages referred to in Form 603
"Notice of initial substantial holder"

....

Fiona Cheng – Authorised Signatory, UBS AG

Date: 25 November 2010

....

Edith Wong – Authorised Signatory, UBS AG

Date: 25 November 2010

Annexure C

UBS AG

________AND ________

[INSERT COUNTERPARTY NAME]

MASTER PRIME BROKERAGE AGREEMENT

(b) if UBS considers it desirable (i) in order to facilitate Transactions or (ii) that UBS has collateral (or additional collateral) in relation to your obligations to UBS under this Agreement and the Customer Agreements, credit the Assets to the Transferred Assets Account.

6.3 UBS will credit all Cash to the Banking Account, and hold the Cash as banker and not as trustee, and so will not hold the Cash in accordance with the FSA's client money rules.

6.4 Assets are delivered to UBS at your risk. In the case of registrable Assets, you must deliver, together with the Assets, transfers duly executed in blank in the manner and form UBS requires.

6.5 UBS may in its absolute discretion decline to accept (in whole or in part) any securities, cash or other property tendered to it for credit to the Custody Account, Transferred Assets Account or Banking Account. UBS is not obliged to give any reason for its refusal.

6.6 If, on the relevant settlement or income payment date, UBS credits the Custody Account, Transferred Assets Account or Banking Account with Assets, Income or the proceeds of a sale, purchase or exchange of any Assets, or debits the Custody Account, Transferred Assets Account or Banking Account with the Assets or cost of any Assets, UBS may reverse any credit or debit if the relevant transaction fails to settle, or the Income is not received, on a timely basis.

6.7 Subject to the terms of this Agreement, UBS is authorised and agrees to act on all Instructions. UBS acts upon Instructions at your sole risk. UBS may for any reason refuse to act on any Instructions, including to deliver any Assets from the Custody Account or Transferred Assets Account or make any payments of Cash from the Banking Account.

7. TRANSFERRED ASSETS ACCOUNT

7.1 If UBS credits Assets to the Transferred Assets Account, all right, title and interest in those Assets passes to UBS free of all liens, charges, encumbrances and all third-party interests and rights, and UBS is obliged to deliver to you Equivalent Assets in accordance with, and subject to, the terms of this Agreement. UBS may retain for its own account all fees, profits and other benefits received in connection with any Assets credited to the Transferred Assets Account. Equivalent Assets will be delivered to you, pursuant to clause 10.1 or, at UBS's discretion, earlier, by crediting them to the Custody Account, and this Agreement applies to those assets as if they were Assets credited to the Custody Account pursuant to clause 6.2, and UBS will debit the Transferred Assets Account accordingly.

7.2 Following any record date for payment or distribution of Income on any Assets credited to the Transferred Assets Account, UBS will credit an amount equal to or securities equivalent to the Income, after deduction of any taxes and duties payable, to either the Banking Account or Custody Account, as appropriate, as soon as reasonably practical after UBS receives the Income.

8. CUSTODY ACCOUNT

8.1 Subject to the terms of this Agreement, in relation to Assets credited by UBS to the Custody Account, UBS will:

(a) on your behalf, hold or procure to be held to UBS's order those Assets; and

(b) as soon as practicable after receipt of any necessary documents, procure registration of any registrable Assets in a manner permitted by the FSA Rules, which may include registration in the name of (i) due to the law or market practice of particular jurisdictions, UBS or a sub-custodian, (ii) UBS's or a sub-custodian's nominee, or (iii) any other person as you notify to UBS in writing.

At your request, UBS will notify you of those jurisdictions where registrable Assets credited to the Custody Account are currently registered in the name of UBS or a sub-custodian, and, in relation to the latter, of the name of the sub-custodian.

8.2 Subject to this Agreement, Assets credited to the Custody Account are held by UBS at your risk. Where Assets credited to the Custody Account are registered in the name of UBS, those Assets might not be segregated from UBS's own assets and, if UBS defaults, may not be as well protected from claims made on behalf of the general creditors of UBS. The consequences of you instructing UBS regarding the registration of Assets credited to the Custody Account are at your risk. You may instruct UBS in writing to hold documents of title for Assets credited to the Custody Account other than in UBS's physical possession or with an eligible custodian and you acknowledge that the consequences of doing so or of instructing UBS pursuant to clause 8.1(b)(iii) are at your risk.

8.3 In respect of Assets credited to the Custody Account which are held by a sub-custodian, UBS will, wherever possible, require that sub-custodian to record them in its books to an account the title of which makes it clear that those Assets belong to a client of UBS.

8.4 Unless UBS has received contrary Instructions in sufficient time for UBS to act on them, UBS will, subject to this Agreement, in relation to Assets credited to the Custody Account and on your behalf:

(a) collect, as they become payable, all interest, cash dividends and securities dividends and all other cash and securities income and cash and securities payments, with respect to such Assets, and credit the Banking Account or Custody Account on receipt, as appropriate, and, for this purpose, execute in your name any declarations of ownership or other documentation as may be required;

(b) present for payment all such Assets which are called, redeemed or otherwise become payable and all coupons and other income items which call for payment upon presentation, in any case provided that UBS is actually aware of the opportunities, and credit the Cash, when received, to the Banking Account;

(c) credit, on receipt, to the Custody Account all Assets received by UBS as a result of a share sub-division or re-organisation, capitalisation of reserves or otherwise with respect to Assets credited to the Custody Account; and

(d) to the extent the issuer of the relevant assets permits, exchange interim or temporary receipts or certificates for definitive certificates, and old or overstamped certificates for new certificates.

8.5 In accordance with Instructions, UBS will, subject to this Agreement, execute and deliver, or procure to be executed and delivered, to you or as you may direct, any powers of attorney or proxies as may reasonably be required, authorising those attorneys or proxies to exercise any rights conferred by, or otherwise act in respect of, any Assets credited to the Custody Account.

8.6 UBS will use its reasonable efforts to notify you, as soon as reasonably practicable after receipt, of any notice relating to any of the Assets credited to the Custody Account, including, without limitation, notice of a tender or exchange offer or of a rights entitlement or a fractional interest resulting from a rights issue, stock dividend or stock split, but excluding notice of any general meeting of holders of securities. Unless agreed otherwise with you, UBS is not responsible for taking any action with respect to any such notice, or for the exchange of any Asset credited to the Custody Account even if purely administrative, or for the exercise of any rights to subscribe for securities, conversion rights, voting rights or any other rights relating to those Assets or for dealing with any takeover, other offer or capital re-organisation affecting those Assets. However, for the avoidance of doubt, you have no right to vote in respect of Assets credited to the Custody Account to the extent that they are Settlement Securities that have not yet been delivered to third parties.

8.7 You authorise UBS to transfer Assets credited to the Custody Account from such account to the Transferred Assets Account (so that UBS may borrow, lend, charge, sell, transfer or otherwise use those Assets for its own purposes or the purposes of its other clients) without giving notice of this to you, and clause 7.1 applies accordingly.

8.8 You authorise UBS and UBS's sub-custodians, agents and other delegates to hold Assets credited to the Custody Account in accounts in which those Assets are commingled with assets of the same class held by the relevant person for its other clients. Where Assets are held in such an account, your rights to those Assets is not in relation to any separately identifiable securities, but rather is in relation to the same number, class, denomination and issue as those delivered to UBS, and you confirm you accept this. Where Assets credited to the Custody Account are pooled on this basis, UBS:

(a) acknowledges that you have an equitable interest in that pool of assets (or in UBS' interest in respect of that pool) equal to the proportion which from time to time the number of Assets credited to the Custody Account (or which should have been credited) which have been pooled bears to the total number of assets in the pool (or in that part of the pool in respect of which UBS has an interest); and

(b) may, if those Assets are called for partial redemption by their issuer, and subject to the rules or regulations pertaining to allocation of any Securities System in which those Assets have been deposited, allot or procure to be allotted the called portion to the respective beneficial holders of that class of investment in any manner UBS considers fair and equitable.

For the purposes of this clause 8.8, assets are of the same class as other assets if they are (i) of the same light or which UBS may suffer or incur in respect of past Transactions.

PART D: SECURITY

11. CHARGE

11.1 The charge created by this clause 11 is given by you to UBS as continuing security for the payment and discharge of all your Liabilities. As security for your Liabilities, you charge to UBS by way of first fixed charge, with full title guarantee and free from any adverse interest:

(a) all your right, title and interest in respect of the Assets (other than assets falling within paragraph (c) below) for the time being credited to the Custody Account, including without limitation any rights against any custodian, banker or other person;

(b) all your right, title and interest in respect of assets which, or the certificates or documents of title to which, are from time to time deposited with or held by a member of UBS Group, including without limitation any rights against any custodian, banker or other person;

(c) all your rights under this Agreement and the Customer Agreements including without limitation all rights that you have to the delivery of Equivalent Assets; and

(d) all of your rights and interest in any amount payable to you by UBS under a Customer Agreement following termination of that Customer Agreement.

11.2 The Charge is a continuing security and is not affected in any way by any settlement of account (whether or not any Liabilities remain outstanding thereafter) or other matter and is in addition to any other current or future security, guarantee or indemnity held by UBS or any other person in respect of any or all of the Liabilities.

11.3 You acknowledge that UBS may file or register details of the Charge in appropriate jurisdictions. You must do everything commercially reasonable requested by UBS to perfect the Charge, including without limitation executing and signing promptly all documents required to vest the Charged Property in UBS or a nominee of UBS.

11.4 You undertake not to allow to continue or to create any encumbrance or security interest over the Charged Property, other than any security interests arising by operation of law, the Charge and any interests created in favour of parties appointed under clause 23.

11.5 You by way of security irrevocably appoint UBS as your attorney on your behalf and in your name or otherwise to execute all transfers, assignments, further assurances or other documents as may reasonably be required to vest any of the Charged Property in UBS or in a person acting as nominee or otherwise on behalf of UBS or to perfect or preserve the rights and interests in respect of the Charge (including, without limitation, the institution and conduct of legal proceedings) or for the exercise by UBS of all or any of the powers, authorities and discretions conferred on UBS by this Agreement.

11.6 For all purposes, including any legal proceedings, a certificate by any officer of UBS as to the sums or Liabilities for the time being due to or incurred by UBS is conclusive in the absence of fraud or manifest error.

11.7 Sections 93 (restriction on consolidation of mortgages) and 103 (regulation of exercise of power of sale) of the Law Property Act 1925 shall not apply to this Agreement. The Liabilities shall become due for the purposes of section 101 (mortgagee powers) of the Law of Property Act 1925, and the statutory power of sale and of appointing a receiver conferred under that Act (as varied or extended under this Agreement) and all other powers shall be deemed to arise immediately after execution of this Agreement.

11.8 All rights charged by you to UBS shall secure your obligations to UBS under this Agreement and your obligations to UBS under the relevant Customer Agreements between you and UBS and under any other agreement or transaction between you and UBS. In the event of an enforcement of the Charge, UBS shall have absolute discretion to determine the order and manner in which the proceeds of sale are applied to discharge Liabilities under Customer Agreements and any other agreement or transaction between you and UBS

PART E: MARGIN

12. MARGIN REQUIREMENT

12.1 You must at all times maintain with UBS Margin equal to or greater than the aggregate of the Liabilities and any applicable Initial Margin.

12.2 Where the Margin Requirement exists and is greater than the Minimum Call amount specified in the Schedule, UBS may require you to deliver to it Acceptable Collateral of a Value (in aggregate) at least equal to or greater than the Margin Requirement by giving notice in writing to you at the address specified