Transpacific Industries Group Ltd
ACN 101 155 220
ABN 74 101 155 220

7 December 2007

The Manager
Companies Announcement Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

Closing of Convertible Note Issue

Transpacific Industries Group Ltd ("Transpacific") has today settled the convertible notes issue outlined in its announcements on 9 November and 15 November 2007, and received the issue gross proceeds of A$315 million.

Enclosed is:

- An Appendix 3B;and
- A disclosure notice,

in respect of the issue.

Yours faithfully,
Transpacific Industries Group Ltd

Kellie Smith

Kellie Smith
Company Secretary

Transpacific Industries Group Ltd
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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Transpacific Industries Group Limited (**"Company"**)

ABN

74 101 155 220

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Convertible Notes ("**Notes**")
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	A$315,000,000 Convertible Notes, which are convertible to 21,191,002 fully paid ordinary shares subject to adjustments in accordance with the Terms & Conditions of the Notes.
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Principal terms of the Notes are as follows: • Final Maturity Date: 7 December 2014 • Conversion Price: A$14.8648 (representing a premium of 36% to the issue price), subject to adjustment in accordance with the Terms and Conditions of the Notes; • Interest Rate: 6.75% per annum; and • Convertible into fully paid ordinary shares at the option of the Holder in the circumstances set out in the Terms and Conditions of the Notes.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Not applicable
5	Issue price or consideration	Minimum of A$100,000 per Note and multiples of A$1,000 in excess thereof
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The net proceeds of the issue of the Notes will be used by the Company to repay and cancel a A$250,000,000 short-term bank facility with the balance to be used for working capital and general corporate purposes to be represented initially by a reduction in debt ($58.8 million) and costs of the issue ($6.2 million).
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	The Convertible Notes were allotted on 7 December 2007. Any ordinary shares issued on conversion of the Notes will be issued in accordance with the Terms and Conditions of the Notes.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	284,046,843	Fully paid Ordinary Shares

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	6,950,000	Options over ordinary shares issued pursuant to option deed with Brenzil Pty Ltd
		9,347,343	Options over ordinary shares issued pursuant to executive share option plan
		A$315 million	Convertible Notes, which are convertible to 21,191,002 ordinary shares subject to adjustments in accordance with the Terms & Conditions of the Notes.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	Not applicable

20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements *in full* through a broker?	Not applicable
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	Not applicable

+ See chapter 19 for defined terms.

32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Kellie Smith

Sign here: .... Date: 7 December 2007
(Company secretary)

Print name: ***Kellie Smith***

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+ See chapter 19 for defined terms.

Disclosure Notice Dated 7 December 2007 by Transpacific Industries Group Ltd ("TPI") In relation to the on-sale of Convertible Notes and shares issued on conversion of the Convertible Notes

1. Introduction

1.1 Background to document

Pursuant to an Australian Securities and Investments Commission (**"ASIC"**) instrument set out in Appendix A below, TPI is required to give a notice to ASX Limited (**"ASX"**) today 7 December 2007 (**"Issue Date"**) being the date of issue of A$315 million 6.75% convertible notes due 2014 (**"Notes"**) in the capital of TPI. Approval in-principle has been received for the listing of the Notes on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**). Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits as TPI, its subsidiaries or the Notes. The Notes will be in registered form and in denominations of A$100,000 or integral multiples of A$1,000 in excess thereof. Each A$100,000 Note is convertible into 6,727.302 (or such adjusted number as results from the adjustment provisions of the Notes) fully paid ordinary shares in the capital of TPI (**"Shares"**).

1.2 Contents of document

This document will set out:

(a) the effect of the offer of the Notes and Shares on TPI;

(b) the rights and liabilities attaching to the Notes;

(c) the rights and liabilities attaching to the Shares;

(d) any information that:

(i) has been excluded from a continuous disclosure notice in accordance with the listing rules of the ASX (**"Listing Rules"**); and

(ii) the rights and liabilities attaching to the Notes;

(e) other additional information including content relating to TPI status as a disclosing entity and where documents may be obtained and a summary of the ASIC instrument.

1.3 No offer or invitation

No offer or invitation is made pursuant to this document for any person to subscribe for or apply to acquire any Notes or Shares. The Notes have not been offered for sale in the United States or Japan.

2. Effect of the offer of the Notes and Shares on TPI

2.1 Capitalisation and indebtedness

The following table sets out the consolidated short-term and long-term debt and equity capitalisation of TPI as at 30 June 2007.

	30 June 2007 A$m
Short-term debt (net of cash)	(199.2)
Long-term debt	2,275.8
	2,076.6
Equity	
Contributed equity	1,106.2
Reserves	40.4
Retained earnings	139.2
Minority interests	9.8
Total Shareholder's Equity	1,295.6
Total Debt and Equity	3,372.2

2.2 Source and application of the funds raised

The offer of the Notes raised A$315 million. This amount will be used as follows:

(a) A$6.2 million in respect of the combined management and underwriting commission and the estimated expenses incurred in connection with the offer of the Notes;

(b) repayment and cancellation of A$250 million short-term bank facility;

(c) the balance of A$58.8 million used for working capital and general corporate purposes to be represented initially by a reduction in debt.

This amounts to a net increase in liabilities of A$6.2 million (representing the costs of the Offer).

2.3 Impact on interest cost

The Notes bear interest from the Issue Date at the rate of 6.75% per annum paid semi-annually in arrears on each Interest Payment Date, being 7 June and 7 December in each year for the term of the Notes. To the extent that the proceeds have been applied in repaying debt of TPI that debt has borne a higher interest rate than the coupon rate in respect of the Notes.

Taking into account:

(a) the interest payable in respect of the Notes; and

(b) the current average rate of interest on the debt repaid,

the net decrease in interest cost to TPI per annum is approximately A$4.6 million.

2.4 Impact on the maturity profile of the Company's debt

The Notes are medium term liabilities of TPI and, unless converted or redeemed beforehand in accordance with their terms, are due for repayment on 7 December 2014.

The Notes cannot be prepaid, unless a redemption event occurs under the terms of the Notes or the Notes are converted.

The short-term bank facility being discharged had a maturity date of 15 December 2007 and as a result of the issue of the Notes has increased TPI's debt maturity profile.

2.5 Restrictions on TPI's activities

The Notes are subject to certain restrictions on the activities of TPI either through specific undertakings or events of default but also through conversion adjustments under the terms of the Notes. The terms of the Notes are summarised in section 3 and are set out in full at Appendix B.

2.6 Impact on capital structure of TPI of issue of Notes and Shares on conversion of the Notes

The table below indicates the impact of the issue of the Notes and the conversion into Shares. There are no guarantee that the Notes will be converted of if they are converted, that they are converted in full.

	Pre-issue of Notes	**Post issue of Notes**[1]	**Assuming full conversion of Notes**[23]
Shares	284,046,843	284,046,843	305,237,845
Notes (Potential Ordinary Shares)	0	21,191,002	0
Options[4]	16,297,343	16,297,343	16,297,343
Transpacific Step-up Preference Securities ("Transpacific SPS")[5]	2,500,000	2,500,000	2,500,000

The Shares to be issued upon conversion of the Notes will be issued as fully paid ordinary Shares and will rank from the date of issue equally for dividends and other rights with existing Shares. The Company will apply for quotation of the Shares issued on conversion of the Notes. If the Shares are quoted at the time of conversion, the Company anticipates that the ASX would grant quotation to the Shares to be issued upon conversion of the Notes. However, quotation of such Shares is a matter within the discretion of the ASX.

In the event of a full conversion of all Notes issued, then following conversion of the Notes into Shares:

(a) TPI would have on issue 305,237,845 fully paid ordinary Shares based on the Conversion Price of A$14.8648 per Share; and

[1] Assuming no additional securities are issued by TPI.

[2] Assuming no additional securities are issued by TPI, other than Shares issued upon conversion of the Notes

[3] The Notes are subject to adjustment to the Conversion Price in accordance with Condition 6(C) of the Terms and Conditions Such adjustments are not taken into account in this calculation of Shares in existence upon full conversion of the Notes

[4] The Options are unlisted options and represent 5 74% of the current Shares on a fully diluted basis prior to the issue of the Notes. Of the 16,297,343 options on issue, 9,347,343 were issued pursuant to the Transpacific Executive Share Option Plan and 6,950,000 were issued to Brenzil Pty Ltd (an entity associate with the Peabody family)

[5] Transpacific has provided an unsecured, subordinated guarantee in respect of payments due to holders of Transpacific SPS issued in August 2006 by the responsible entity of the Transpacific SPS Trust ARSN 120 322 625. The responsible entity is Permanent Investment Management Limited ABN 45 003 278 831. The Transpacific SPS have a face value of $100 per security (A$250 million in aggregate) and pay a preferred, non-cumulative, franked, floating rate distribution semi-annually in arrears. On 1 October 2011 (the first step up date) Transpacific may elect to re-market, redeem, or exchange the Transpacific SPS for Shares or elect to continue to pay distributions at a higher margin or take a combination of these actions. To the extent Transpacific elects to exchange the Transpacific SPS for Shares at that time, it will do so based on the face value of the Transpacific SPS divided by the market price of a Share (with a small discount applied) at the time of exchange.

(b) the Shares issued as a result of conversion of the Notes would constitute 7.46% of the then fully paid issued Shares in TPI (ignoring conversion of the options and the Transpacific SPS).

2.7 Impact on ranking of indebtedness

The Notes constitute, subject to the terms of the negative pledge in Condition 4 of the terms and conditions of the Notes (**"Terms and Conditions"**), direct and unsecured obligations of TPI which will at all times, rank equally and rateably and without any preference among themselves. The Notes are subordinated to the Senior Indebtedness as described in Condition 1(A) of the Terms and Conditions. They will at least rank equally with all present and future direct, unsecured, unsubordinated and unconditional obligations of TPI other than the claims of Senior Creditors (as defined) in respect of any Senior Financial Indebtedness (as defined), except for such exceptions as may be provided by mandatory provisions of law.

2.8 Impact of a change in control

The Notes were issued at A$100,000 per Note representing a premium of 36% to the closing share price of TPI on 8 November 2007 of A$10.93. The conversion price is A$14.8648 per Note (reflecting the same conversion premium) but it is subject to adjustment in accordance with the Terms and Conditions.

In the event of a change in control of TPI (or a Takeover Event, as defined), the conversion price of the Shares to be issued on exercise of the Notes is adjusted downwards (increasing the number of Shares which may be issued on conversion) by a maximum of 35%. This conversion premium amortises down a straight line basis during the term of the Notes such that if on the last day of the term, there was a change in control of TPI virtually no additional Shares would be issued. The conversion premium is designed to compensate the Noteholder who has not had the entire term of the Note to realise any value from the embedded option in the Note. Further details are set out in Condition 6(D) of the Terms and Conditions.

3. Rights and liabilities attaching to the Notes

The Terms and Conditions of the Notes are set out in full at Appendix B. The following summary is qualified in its entirety by the Terms and Conditions. References in the summary to a Condition is a reference to a Condition of the Terms and Conditions of the Notes. Capitalised terms used in the summary not otherwise defined are defined in the Terms and Conditions of the Notes.

THE NOTES

Form and Denomination	The Notes will be issued in registered form in denominations of A$100,000 or integral multiples of A$1,000 in excess thereof. The Notes will take the form of entries in the register and will, on issue, be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank S.A./N.V (**"Euroclear"**) and Clearstream Banking, *societe anonym* (**"Clearstream"**) on 7 December 2007. Interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream.

Status	The Notes constitute direct, unconditional, and subject to the provisions of Condition 4 (*Negative Pledge*), unsecured obligations of TPI ranking *pari passu* without any preference among themselves, and are subordinated on the terms set out in Condition 1(A)(ii) (*Status and Covenant – Subordination*)
Negative Pledge	The Notes will contain a negative pledge provision as further described in Condition 4 *(Negative Pledge)*.
Interest	The Notes bear interest from the Issue Date at 6.75% per annum payable semi-annually in arrears on each Interest Payment Date (commencing on 7 June 2008), being 7 June and 7 December in each year.
Final Maturity	Unless previously redeemed, converted, or purchased and cancelled, the Notes will be redeemed on 7 December 2014 ("**Maturity Date**") at 100% of their principal amount together with unpaid accrued interest up to but excluding the Maturity Date.
Redemption at the Option of TPI	TPI may redeem all but not some only of the Notes on the date specified in the relevant notice of redemption at their principal amount together with accrued interest up to but excluding such date: (a) at any time on or after 7 December 2010, if on each of more than 20 trading days during any period of 30 consecutive trading days (ending not earlier than fourteen days prior to the date the relevant notice of redemption was published) the closing price for a Share as published by or derived from the ASX or the Relevant Stock Exchange on such trading day was at least 130 per cent of the Conversion Price (as adjusted) in effect or deemed to be in effect on such trading day; or (b) if at any time prior to the date on which the relevant notice of redemption is given Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of at least 90 per cent in principal amount of the Notes originally issued (including any Optional Notes consolidated and forming a single series with the Notes at such date).
Delisting Put Right	A Noteholder will have the right, at the Noteholder's option, to require TPI to redeem all or some of that Noteholder's Notes at their principal amount plus accrued interest (up to but excluding the relevant redemption date) upon the Shares ceasing to be listed or admitted to trading on the ASX - see Condition 8(D).
Tax Redemption	TPI may redeem all but not some only of the Notes, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders, at their principal amount together with accrued interest up to but excluding the date fixed for redemption, in the event of certain changes affecting taxation in respect of payments on the Notes, subject to the right of Noteholders to elect not to have the Notes redeemed and thereafter to receive payments of interest on the Notes subject to withholding or deduction on account of relevant taxation.

Redemption at the option of Noteholders	On 7 December 2012, Noteholders will have the right, at such Noteholder's option, to require TPI to redeem all or some of their Notes at their principal amount plus accrued interest up to but excluding 7 December 2012 - see Condition 7(D).
Taxation	All payments of principal, premium and interest by TPI will be made free from any restriction or condition and be made without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Australia or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law.
Non-Payment	The Notes will contain a default provision covering failure to pay principal or interest in respect of the Notes as further described in Condition 10 *(Events of Default)*.
Cross Acceleration	The Notes will contain a cross acceleration provision subject to a threshold of A$2.5 million and a 90 day standstill as further described in Condition 10 *(Events of Default)*.
Other Events of Default	For a description of certain other events that will permit acceleration of the Notes see Condition 10 *(Events of Default)*. If any event that will permit acceleration occurs, then the Trustee at its discretion may, and if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution of the Noteholders shall, declare the Notes to be immediately due and repayable at their principal amount together with accrued interest.
CONVERSION	
Conversion Right	The holder of each Note has the right to convert such Note into Shares at any time during the Conversion Period. The number of Shares to be delivered upon conversion shall be determined by dividing the principal amount of the Note by the Conversion Price in effect on the Conversion Date.
Conversion Period	The period beginning on and including 17 January 2008 and ending on and including the earlier to occur of: (a) the close of business on 27 November 2014; or (b) if the Notes shall have been called for redemption before the Maturity Date, the close of business on the day which is seven days before the date fixed for redemption.
Conversion Price	AUD$14.8648, subject to adjustment in accordance with the Conditions.

ADJUSTMENTS TO THE CONVERSION PRICE

Change of Control

A Takeover Event occurs if:

(a) an offer is made to all (or as nearly as may be practicable all) Shareholders or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate (as defined in section 12 of the *Corporations Act* 2001 (Cth) (**"Act"**)) of the offeror) to acquire the whole or any part of the issued share capital of TPI, or

(b) any person proposes a scheme of arrangement with regard to such offer,

and such offer having become or been declared unconditional in all respects and such scheme having been approved by a relevant court, the right to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a general meeting of TPI has or will become unconditionally vested in the offeror and/or such associate(s), or an event occurs which has a like or similar effect.

If a Takeover Event occurs during the Conversion Period, the Noteholders shall have the right for a period of 60 days to convert their Notes at a Conversion Price adjusted to take account of the Conversion Premium applicable to the Notes at the Conversion Date as further described in Condition 6(D).

Extraordinary Dividends

The Conversion Price will be adjusted as further described in Condition 6(C)(3) in the event of an Extraordinary Dividend.

Other Anti-Dilution

The Notes will contain other provisions for the adjustment of the Conversion Price in the event of the occurrence of certain dilutive events including, amongst others, share subdivisions consolidations or reclassifications, rights offering and equity issuances at less than 95% of the then Current Market Price, bonus issues and other analogous dilutive events.

MISCELLANEOUS

Lock up by TPI

Neither TPI, nor any person acting on its behalf, will not, for a period from 10 November 2007 until the date 120 days after the Issue Date (and if any Optional Notes are issued, until the date 120 days after the last Option Closing Date) without the prior written consent of the Lead Manager, issue, offer, sell, contract to sell, grant, pledge, or otherwise transfer or dispose of, any Shares or interests or securities convertible or exchangeable into or exercisable for Shares or warrants, options or other rights to purchase Shares or other security, contract or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward slaes and options representing the right to receive any Shares, whether or not such contract is to be settled by delivery of Shares or such other securities, in cash or otherwise.

These obligations are subject to:

(a) the Notes and Shares issued pursuant to the conversion of the Notes;

(b) an issue of Shares to a vendor as consideration fro an acquisition made by TPI on arm's length terms;

(c) the exercise of options, sale of Shares or any other dealing with Shares or and interest in Shares by interests associated with Mr. Terrence Peabody which are regulated by separate lock-up agreements;

(d) an issue of Shares or other securities to any employee or director of TPI or any of its subsidiaries under a share or option scheme; or

(e) an issue of Shares pursuant to the redemption of Transpacific SPS.

Governing Law	The Notes, the Trust Deed and the Agency Agreement will be governed by English law.
Trustee	The Bank of New York, London Branch
Principal Paying, Transfer and Conversion Agent	The Bank of New York, London Branch
Registrar	The Bank of New York
Listing	Approval in-principle has been received for the listing of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of A$200,000 for so long as any of the Notes are listed on the SGX-ST.
Clearing	The Notes have been accepted for clearance by Euroclear and Clearstream under the Common Code 33093608 and ISIN XS0330936088.

4. Rights and liabilities attaching to the Shares

4.1 Impact of conversion

On conversion, the Notes (the subject of the conversion request) will be redeemed for their face value of A$100,000 and applied to subscribe for Shares at the conversion price of A$14.8648 per Share subject to adjustment in accordance with the Terms and Conditions.

This will have the effect of:

(a) replacing a direct, subordinated, unconditional and unsecured obligation of TPI with additional share capital that will rank on and from its date of issue equally with all other Shares on issue; and

(b) increasing the net assets and share equity and reducing the liabilities of TPI by the face value of the Notes converted.

Under section 140(1) of the *Corporations Act* 2001 (Cth) ("**Act**"), the constitution of TPI ("**Constitution**") has effect as a contract between TPI and each member, and between a member of TPI and each other member. Accordingly, upon conversion of the Notes into

Shares, the holders of Shares will become liable to comply with the Constitution of TPI. However, since the Shares issued upon conversion of the Notes will be issued credited as fully paid, they are not subject to any call for money by the Directors. Accordingly, no monetary liability attaches to them and they will not become liable for forfeiture.

4.2 Summary of TPI Constitution

The Constitution of TPI sets out the principal rights attaching to TPI Shares. This section provides a summary of the rights and liabilities attaching to TPI's Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of TPI ("**Shareholders**"). Such rights and liabilities involve complex questions of law arising from the interaction of the Constitution and statutory and common law requirements. Shareholders should seek their own advice when trying to establish their rights and liabilities in specific circumstances.

(a) **(Share Capital):** The share capital of TPI consists of fully paid Shares. All existing Shares are of the same class and rank equally in all respects.

(b) **(Voting):** Each Share confers the right to vote at meetings of Shareholders, subject to voting restrictions imposed on a Shareholder under the Act and the Listing Rules. At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and one vote on a poll for each fully paid share held.

Voting at any meeting of Shareholders is by a show of hands unless a poll is demanded. A poll may be demanded by at least 5 Shareholders entitled to vote on the resolution, Shareholders with at least 5% of the votes that may be cast on the resolution on the poll, or the chairman.

(c) **(Dividends):** The Directors may from time to time pay dividends to Shareholders out of the profits of the Company. The Directors may pay any interim and final dividends as, in their judgment, the financial position of the Company justifies.

The Directors may fix the amount and the method of payment of the dividends. The payment of a dividend does not require any confirmation by a general meeting.

Subject to any special rights attaching to shares with special dividend rights, of which none are currently on issue, all dividends must be paid equally on all shares and in proportion to the number of, and the amounts paid on, the shares held.

Shares will be entitled to dividends with a record date on or after their date of issue, upon conversion of the Notes.

(d) **(Winding up):** Subject to any special resolution or rights or restrictions attaching to any class or classes of shares, Shareholders will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.

(e) **(Transfer of Shares):** Shareholders may transfer Shares by a written transfer instrument in the usual form or any form approved by the Directors or by a proper transfer effected in accordance with the ASTC Settlement Rules and ASX requirements. All transfers must comply with the Constitution, the Listing Rules, the ASTC Settlement Rules and the Act.

The Directors may refuse to register a transfer of Shares, including in circumstances where the transfer is not in registrable form, or the refusal to register the transfer is permitted by the Listing Rules or ASX. The Directors must refuse to register a transfer of Shares where required to do so by the Listing Rules. If the Directors decline to register a transfer, the Company must give notice of the refusal and the reasons for the refusal as required by the Act and the Listing Rules.

Subject to the Act, Listing Rules and ASTC Settlement Rules, the Directors may suspend the registration of transfers at such times and for such periods as they determine.

(f) **(Issue of further Shares):** The Directors may (subject to the restrictions on the issue of shares imposed by the Constitution, the Listing Rules and the Act) issue, grant options in respect of, or otherwise dispose of further Shares on terms and conditions (including preferential, deferred or special rights, privileges or conditions, or restrictions) as they see fit.

The Listing Rules prohibit the issue of equity or convertible securities if the number of those securities (at the time of issue), when aggregated with the number of any other securities issued by the Company during the previous 12 months, exceeds 15 per cent of the number of ordinary shares on issue 12 months before the date of issue, subject to various exceptions, including prior Shareholder approval, or issues to ordinary Shareholders on a pro-rata basis.

The Company must not issue any Share which carries voting rights which, in the opinion of ASX, are inappropriate or confer inequitable representation on the holders of the Shares.

(g) **(Variation of class rights):** Subject to the Act and their terms of issue, the rights attaching to any class of shares may be varied with the written consent of at least 75% of the holders of shares in the class or by a special resolution passed at a separate meeting of the holders of shares of the class. In either case, the holders of not less than 10% of the votes in the class of shares whose rights have been varied or cancelled may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

The creation or issue of further shares ranking equally with a class of shares already on issue is not a variation of class rights.

There is currently only one class of Shares on issue.

(h) **(Share buy backs):** The Company may buy back Shares in itself in accordance with the provisions of the Act.

(i) **(General meeting and notices):** Each Shareholder is entitled to receive notice of, and except in certain circumstances, attend and vote at general meetings of the Company and receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Act or the Listing Rules.

(j) **(Proportional takeover provisions):** The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. The provisions will lapse unless renewed by a special resolution of Shareholders in general meeting three years from the date of its adoption.

(Sale of non-marketable parcels): The Constitution provides that the Directors may cause the Company to sell a Shareholder's shares, if that Shareholder holds less than a marketable parcel of shares, provided that the procedures set out in the Constitution are followed.

A non-marketable parcel of shares is defined in the ASX Business Rules and is, generally, a holding of shares with a market value of less than $500.

(k) **(Amendment):** The Constitution may be amended only by a special resolution passed by at least three quarters of the votes cast by Shareholders entitled to vote on the resolution. Currently, the Act requires at least 28 days' written notice to be given to Shareholders specifying the intention to propose the resolution to be given.

4.3 ASX Listing of Shares

TPI will apply for official quotation on ASX of the Shares to be issued upon conversion of the Notes. Quotation will not be automatic, but will depend upon ASX exercising its discretion. TPI has already been admitted to the official list o the ASX and shares in TPI of the same class as the Shares to be issued upon conversion of the Notes are already quoted. But TPI cannot guarantee, and does not represent or imply, that the Shares to be issued upon conversion of the Notes will be quoted upon issue by TPI.

5. Compliance with disclosure obligations

As a disclosing entity under the Act, TPI is subject to regular reporting and disclosure obligations.

Aside from this document and documents previously lodged by TPI with the ASX pursuant to its continuous disclosure obligations, there is no additional information that:

(a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules of the ASX; and

(b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

   (i) the assets and liabilities, financial position and performance, profits and losses and prospect of TPI; and

   (ii) the rights and liabilities attaching to the Notes or Shares to be issued on the conversion of the Notes.

6. General

Copies of documents lodged with ASIC in relation to TPI including TPI's constitution, may be obtained from, or inspected at, an ASIC office. In addition, TPI will make available to you at any time prior to 30 June 2008 copies of:

(a) the TPI Annual report for the year ended 30 June 2007; and

(b) any continuous disclosure notices given by TPI after lodgement of that Annual Report with ASIC since 1 July 2007.

Those continuous disclosure notices are:

4/12/2007	Change in substantial holding for CMV
3/12/2007	CMV: TPI exercise option to acquire CMA stake
3/12/2007	Refinancing of $2.35 billion underwritten syndicated facility
30/11/2007	Appendix 3B
26/11/2007	Becoming a substantial holder for CMV
23/11/2007	CMV: TPI exercise option to acquire CMA stake
15/11/2007	Transpacific successful upsize of Convertible Notes
14/11/2007	Completion of US$150 million US private placement
14/11/2007	Change of Director's Interest Notice
09/11/2007	Change of Director's Interest Notice
09/11/2007	A$250 million offering of Convertible Notes

08/11/2007	Results of Meeting
08/11/2007	2007 Annual General Meeting Presentation
07/11/2007	CMV: Transpacific Industries Due Diligence Extension
07/11/2007	Update on Envirowaste Acquisition
01/11/2007	Update on Envirowaste Acquisition
31/10/2007	Change of Director's Interest Notice
31/10/2007	Change of Director's Interest Notice
29/10/2007	Appendix 3B
26/10/2007	Revised Dividend Details
26/10/2007	Appendix 3B
26/10/2007	Dividend Details
25/10/2007	CMV: Placement Offer to Transpacific Industries
25/10/2007	Change of Director's Interest Notice
23/10/2007	DRP pricing
22/10/2007	Appendix 3B
15/10/2007	Change of Director's Interest Notice
09/10/2007	Change of Director's Interest Notice
04/10/2007	Notice of Annual General Meeting/Proxy Form
04/10/2007	Acquisitions update
04/10/2007	Change of Director's Interest Notice
03/10/2007	Appendix 3B
02/10/2007	Change of Director's Interest Notice
01/10/2007	Appendix 3B
28/09/2007	Appendix 3B

These may be obtained from TPI's website (http://www.transpacific.com.au) or by contacting Ms Kellie Smith at:

Level 1
159 Coronation Drive
MILTON QLD Australia 4064

Telephone: +61 7 3367 7800
Fax: +61 7 3367 7899

Email: KSmith@transpac.com.au

6.2 ASIC

ASIC has pursuant to an instrument dated 22 November 2007 (attached as Appendix A) modified sections 707(3) and (4) of the Act so that an offer within Australia for sale of the Notes or Shares issued upon conversion of the Notes will not require disclosure under Chapter 6D of the Act if the purpose of the issue of the Notes and the Shares was not for the purpose of selling or transferring them or granting, issuing or transferring interests in, or options or warrants over them other than pursuant to section 708 or 708A.

The offer of the Notes took place outside Australia or if within Australia solely to professional or sophisticated investors under section 708.

The Company's sole purpose in issuing Shares on conversion of the Notes will be to meet its contractual obligations under the terms of the Notes.

6.3 ASX

On 6 December 2007, the ASX confirmed to TPI that:

(a) the Terms and Conditions of the Notes are appropriate and equitable for the purposes of Listing Rule 6.1; and

(b) ASX does not consider that Listing Rules 6.21, 6.22 or 6.23 apply to the Notes.

6.4 Consents

The issue of this document has been approved by the Directors of TPI. Each director has consented to the issue of this document, and has not withdrawn that consent.

6.5 No responsibility

Neither ASIC nor the ASX takes any responsibility for the contents of this document

6.6 Forward looking statements

This document contains forward looking statements relating to future matters, which are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to be different, in some cases materially fro those expressed or implied by such statements.

6.7 Not investment advice

This document is not investment advice. It does not take into account the investment objectives, financial situation and particular needs of any person.

By order of the Board
7 December 2007

Appendix A - ASIC Instrument

Australian Securities and Investments Commission
Corporations Act 2001 -Subsection 741(1) –Declaration

Under subsection 741(1) of the *Corporations Act 2001* (*Act*) the Australian Securities and Investments Commission (*ASIC*) declares that Chapter 6D of the Act applies to the persons specified in Schedule A in the case specified in Schedule B as if section 707 of the Act were modified or varied by omitting subsections 707(3) and (4) of the Act and substituting:

"(3) An offer of a body's securities for sale within 12 months after their issue needs disclosure to investors under this Part if the body issued the securities:

(a) without disclosure to investors under this Part; and

(b) with the purpose of the person to whom they were issued:

(i) selling or transferring them; or

(ii) granting, issuing or transferring interests in, or options or warrants over, them;

and section 708 or 708A does not say otherwise.

(4) Unless the contrary is proved, a body is taken to issue securities with the purpose referred to in paragraph 3(b) if any of the securities are subsequently sold, or offered for sale, within 12 months after their issue.".

Schedule A

Any noteholder or shareholder of Transpacific Industries Group Ltd ACN 101 155 220 (***TPI***).

Schedule B

An offer for sale of convertible notes (***Convertible Notes***) in TPI issued to investors who are outside this jurisdiction or who are professional or sophisticated investors, or an offer for sale of ordinary shares (***Ordinary Shares***) in TPI that are issued on the conversion of the Convertible Notes, where a document is given to ASX Limited on the same day the Convertible Notes are issued which:

1. sets out the matters mentioned in subsection 713(2) of the Act in relation to the Convertible Notes;

2. sets out the matters mentioned in subsections 713(2), 713(3), 713(4) and 713(5) of the Act in relation to the Ordinary Shares;

3. is worded and presented in a clear, concise and effective manner; and

4. may only include a statement by a person, or a statement said in the document to be based on a statement by a person, if:

(a) the person has consented to the statement being included in the document in the form and context in which it is included;

(b) the document states that the person has given this consent; and

(c) the person has not withdrawn this consent before the document is given to ASX.

Dated 22 November 2007

Signed by Kyle Jonathan Wright, as a delegate of the Australian Securities and Investments Commission

Appendix B - Terms of the Notes

The following, other than the words in italics, is the text of the terms and conditions of the Notes which will appear on the reverse of each of the definitive certificates evidencing the Notes:

The issue of the A$315,000,000 aggregate principal amount of 6.75 per cent Subordinated Convertible Notes due 2014 (the "**Notes**", which term shall include, unless the context requires otherwise, any additional Notes issued pursuant to the option to increase the principal amount of the Notes (the "**Optional Notes**") and any further notes issued in accordance with Condition 15 and consolidated and forming a single series therewith) of Transpacific Industries Group Limited (ABN 74 101 155 220) (the "**Issuer**") and the right of conversion into Shares (as defined in Condition 6(A)(v)) was authorised by the board of directors of the Issuer on 4 December 2007. The Notes are constituted by the trust deed ((as amended or supplemented from time to time) the "**Trust Deed**") to be dated on or about 7 December 2007 (the "**Issue Date**") made between the Issuer and The Bank of New York, London Branch as trustee for the holders of the Notes (the "**Trustee**", which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) and are subject to the paying and conversion agency agreement to be dated on or about 7 December 2007 (the "**Agency Agreement**") with the Trustee, The Bank of New York, London Branch, as principal paying, conversion and transfer agent (the "**Principal Agent**"), The Bank of New York, as registrar (the "**Registrar**") and the other paying, conversion and transfer agents appointed under it (each a "**Paying Agent**", "**Conversion Agent**", "**Transfer Agent**" and together with the Registrar and the Principal Agent, the "**Agents**") relating to the Notes. References to the "**Principal Agent**", "**Registrar**" and "**Agents**" below are references to the principal agent, registrar and agents for the time being for the Notes. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. Unless otherwise defined, terms used in these Conditions have the meanings specified in the Trust Deed. Copies of the Trust Deed and of the Agency Agreement are available for inspection during usual business hours at the principal office for the time being of the Trustee (presently at One Canada Square, 48th Floor, London E14 5AL, United Kingdom) and at the specified offices for the time being of each of the Agents. The Noteholders are entitled to the benefit of and are bound by all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1 Status and Covenant

(A) Subordination

(i) The Notes constitute direct, unconditional and, subject to Condition 4, unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves, and are subordinated on the terms set out in Condition 1(A)(ii).

(ii) The claims of the Noteholders (or of the Trustee on behalf of Noteholders) in respect of the Notes will, in the event of a winding-up of the Issuer, be subordinated to the claims of Senior Creditors in respect of Senior Financial Indebtedness in the following manner and in accordance with the terms of the Trust Deed.

In the event of a winding up of the Issuer:

(a) all amounts received by the Trustee on behalf of Noteholders in respect of the obligations of the Issuer under the Notes will be applied by the Trustee (i) first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee (including remuneration payable to the Trustee) in carrying out its functions under the Trust Deed; (ii) secondly, in payment directly to the agent under the Senior Facility Agreement for the benefit of the Senior Creditors (Category A) in respect of Senior Financial Indebtedness (Category A) such that the Senior Financial Indebtedness (Category A) will be paid in full, before any other payment or distribution is made by the Trustee; (iii) thirdly, in payment over to the liquidator in a winding-up of the Issuer for the benefit of Senior Creditors (Other) on terms that the liquidator will distribute the same to the Senior Creditors (Other) such that Senior Financial Indebtedness (Other) will be paid in full, before any other payment or distribution is made by the Trustee, and (iv) fourthly, as to the balance (if any), in payment to the Noteholders *pari passu* and rateably of the amounts owing on or in respect of the Notes;

The Issuer and the Senior Facility Agent will agree (and the Trustee will acknowledge such agreement) in a side letter to be dated on or about 7 December 2007 that the Issuer will not consent to any amendment, variation, modification, restatement or replacement of the provisions of the Trust Deed relating to subordination (as described above) without the prior written approval of the Senior Facility Agent.

(b) subject to paragraph (a) and except as stated in paragraph (c), the claims of the Noteholders (or of the Trustee on behalf of the Noteholders) in respect of the Notes will rank at least *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application; and

(c) the claims of Noteholders (or of the Trustee on behalf of Noteholders) in respect of the Notes will rank in priority to the rights and claims of creditors in respect of liabilities which by their terms rank or are expressed to rank in right of payment junior to the claims of Noteholders (or of the Trustee on behalf of the Noteholders) in respect of the Notes and in priority to all classes of equity securities of the Issuer, including preference shares, if any.

For the purposes of these Conditions,

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with applicable accounting standards, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;

(g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(h) consideration for the acquisition of assets or services payable more than 90 days after acquisition;

(i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

"**Hedging Agreements**" means any agreement relating to a derivative transaction entered into by the Issuer in connection with protection against or benefit from fluctuation in any rate or price, where the liabilities of the Issuer under such arrangements and agreements are incurred on a direct and unsubordinated basis;

"**Senior Creditors**" means creditors of the Issuer the claims of which are in respect of Senior Financial Indebtedness;

"**Senior Creditors (Category A)**" means creditors of the Issuer the claims of which are in respect of Senior Financial Indebtedness (Category A);

"**Senior Creditors (Other)**" means creditors of the Issuer the claims of which are in respect of Senior Financial Indebtedness (Other);

"**Senior Facility Agreement**" means the agreement entitled "Syndicated Multi-Option Facility Agreement" to be dated on or about 14 December 2007 between the Issuer, the companies specified therein as Original Borrowers and Original Guarantors, the banks and financial institutions specified therein as Participants and National Australia Bank Limited as agent;

"**Senior Financial Indebtedness**" means all of the Issuer's Financial Indebtedness whether present or future, actual or contingent, that constitutes, or is expressed to constitute, direct, unconditional and unsubordinated obligations of the Issuer;

"**Senior Financial Indebtedness (Category A)**" means all of the Issuer's Financial Indebtedness:

(i) to pay principal, interest, fees or any other amounts under the Senior Facility Agreement and any "Finance Document" as defined in the Senior Facility Agreement; and

(ii) under any Hedging Agreements relating to the Senior Facility Agreement,

in each case as the Senior Facility Agreement, relevant Finance Document or relevant Hedging Agreement (as the case may be) may be amended, restated, modified, renewed, refunded, replaced, restructured or refinanced in whole or in part from time to time; and

"**Senior Financial Indebtedness (Other)**" means any and all of the Issuer's Senior Financial Indebtedness other than Senior Financial Indebtedness (Category A).

(B) Noteholders to Account

In the event that any Noteholder (or the Trustee on behalf of any Noteholder) nevertheless receives (whether by set-off or otherwise) directly in a winding-up proceeding in respect of the Issuer any payment by, or distribution of assets of, the Issuer of any kind or character, whether in cash, property or securities, in respect of any amount owing to it by the Issuer arising under or in connection with the Notes such that any amount owing to it is discharged, other than in accordance with this Condition 1, such Noteholder (or the Trustee, as the case may be) shall, subject to applicable law, immediately apply an amount equal to the amount of such payment or discharge to (a) first, the Trustee in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee (including remuneration payable to the Trustee) in carrying out its functions under the Trust Deed, (b) secondly, the agent under the Senior Facility Agreement for the benefit of Senior Creditors (Category A) in respect of their Senior Financial Indebtedness (Category A) such that Senior Financial Indebtedness (Category A) will be paid in full, before any other payment or distribution is made pursuant to paragraphs (c) or (d); (c) thirdly, the liquidator for the time being in the winding-up of the Issuer for distribution to the Senior Creditors (Other) in respect of the Senior Financial Indebtedness (Other) such that the Senior Financial Indebtedness (Other) will be paid in full, before any other payment or distribution is made pursuant to paragraph (d) and (d) fourthly, as to the balance (if any), in payment to the Trustee (on behalf of the Noteholders) for distribution by the Trustee to the Noteholders *pari passu* and rateably of the amounts owing on or in respect of the Notes and, by virtue of becoming a Noteholder, each Noteholder shall be deemed to have so agreed and undertaken with and to the Issuer and all Senior Creditors for good consideration.

(C) Covenant

So long as any Note remains outstanding, the Issuer shall not and will ensure that none of its Subsidiaries will, create or have outstanding any indebtedness the claims of creditors in respect of which on a winding-up of the Issuer would by its terms rank in priority of payment junior to claims of Senior Creditors in respect of Senior Financial Indebtedness but in priority to claims of the Noteholders in respect of the Notes.

(D) Waiver of Set-Off

Each Noteholder, by virtue of being a holder of any Note irrevocably agrees and acknowledges that (a) it may not exercise or claim (nor shall the Trustee exercise or claim on its behalf) any right of set-off or counterclaim in respect of any amount owed to it by the Issuer arising under or in connection with the Notes, and (b) it shall, to the fullest extent permitted by applicable law, waive and be deemed to have waived all such rights of set-off or counterclaim.

2 Form, Denomination and Title

(A) Form and Denomination

The Notes are issued in registered form in the denomination of A$100,000 each or integral multiples of A$1,000 in excess thereof without coupons attached. A note certificate (each a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Note and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Notes will be represented by the Global Certificate deposited with a common depositary for, and representing Notes registered in the name of The Bank of New York Depository (Nominees) Limited, being a nominee for The Bank of New York, London branch in its capacity as common depositary ("**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). The Conditions are modified by certain provisions contained in the Global Certificate. See "The Global Certificate".*

(B) Title

Title to the Notes passes only by transfer and registration in the Register as described in Condition 3. The holder of any Note will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Terms and Conditions "**Noteholder**" and (in relation to a Note) "**holder**" means the person in whose name a Note is registered in the Register.

3 Transfers of Notes; Issue of Certificates

(A) Register

The Issuer will cause (i) the Register to be kept at the specified office of the Registrar outside the United Kingdom and in accordance with the terms of the Agency Agreement and (ii) the Registrar to enter the names and addresses of the holders of the Notes and the particulars of the Notes held by them and all transfers and redemptions of the Notes on the Register. Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.

(B) Transfer

Subject to Conditions 3(E), 3(G) and the terms of the Agency Agreement, a Note may be transferred by delivery of the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Agents. No transfer of a Note will be valid unless and until entered on the Register.

The Issuer will procure that the Registrar will, within seven business days of receipt of any duly completed and signed transfer, make the appropriate entries in the Register.

Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(C) Delivery of New Certificates

Each new Certificate to be issued upon a transfer of Notes will, within seven business days of receipt by the Registrar or, as the case may be, any other relevant Agent of the original certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Notes (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Principal Agent.

Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates.

Where only part of a principal amount of the Notes (being that of one or more Notes) in respect of which a Certificate is issued is to be transferred or converted, a new Certificate in respect of the Notes not so transferred or converted will, within seven business days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred or converted (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

For the purposes of Condition 3 and Condition 6, "**business day**" shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

(D) Formalities Free of Charge

Registration of a transfer of Notes and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity as the Issuer or any of the Agents may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar being satisfied in its absolute discretion with the documents of title and/or identity of the person making the application; and (iii) the Issuer or the Paying Agent (after consultation with the Issuer if it so requires) being satisfied that the regulations concerning transfer of Notes have been complied with.

(E) Closed Periods

No Noteholder may require the transfer of a Note (or part thereof, not being less than A$100,000) to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice (as defined in Condition 6(B)) has been delivered with respect to a Note; (iii) after a Delisting

Event Redemption Notice (as defined in Condition 8(E)) has been deposited in respect of such Note pursuant to Condition 8(D); (iv) after a Put Notice (as defined in Condition 8(D)) has been deposited in respect of such Note pursuant to Condition 8(E); or (v) during the period of seven days ending on (and including) any Interest Record Date (as defined in Condition 7(A)), each such period is a "**Closed Period**".

(F) Regulations

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge and at the Issuer's expense) by the Registrar to any Noteholder who asks for one.

(G) Restrictions on transfer

Notes may only be transferred if the offer or invitation giving rise to the transfer:

(i) does not constitute an offer or invitation for which disclosure is required to be made to investors under Part 6D.2 of the Corporations Act 2001 of Australia (the "**Corporation Act**");

(ii) is not made to a person who is a "retail client" within the meaning of Section 761G of the Corporations Act; and

(iii) complies with any applicable law or directive of the jurisdiction where the transfer takes place.

4 Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Subsidiaries will create, or have outstanding, any Encumbrance, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions

(i) any reference to an "**Encumbrance**" is to a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person;

(ii) any reference to "**Relevant Indebtedness**" is to any future and present indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market; and

(iii) any reference to a "**subsidiary**" or "**Subsidiary**" of any person is to any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the

Australian law, regulations or generally accepted accounting principles from time to time (including, without limitation, Australia equivalent to International Financial Reporting Standards), should have its accounts consolidated with those of that person.

5 Interest

The Notes bear interest from 7 December 2007 (the "**Closing Date**") at the rate of 6.75 per cent per annum of the principal amount of the Notes. Interest is payable semi-annually in arrear on 7 June and 7 December in each year (each an "**Interest Payment Date**") commencing on 7 June 2008. Each Note will cease to bear interest (a) (subject to Condition 6(B)(iv)) where the Conversion Right attached to it shall have been exercised, from and including the Interest Payment Date last preceding its Conversion Date (as defined below) (or if such Conversion Date falls on or before the first Interest Payment Date, the Closing Date) subject to conversion of the relevant Note in accordance with the provisions of Condition 6(B), or (b) from the due date for redemption thereof unless, upon surrender in accordance with Condition 8, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the rate aforesaid (after as well as before any judgment) up to but excluding the date on which all sums due in respect of any Note are received by or on behalf of the relevant holder. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year of twelve 30-day months. Interest payable under this Condition will be paid in accordance with Condition 7(A).

Save as provided in Condition 6(B)(iv), no payment or adjustment will be made on conversion for any interest accrued on converted Notes since the Interest Payment Date last preceding the relevant Conversion Date, or, if the Notes are converted on or before the first Interest Payment Date, since 7 December 2007.

6 Conversion

(A) Conversion Right

(i) *Conversion Period*: Subject as hereinafter provided, Noteholders have the right to convert their Notes into Shares (as defined in Condition 6(A)(v)) at any time during the Conversion Period referred to below.

The right of a Noteholder to convert any Note into Shares is called the "**Conversion Right**". Subject to and upon compliance with, the provisions of this Condition, the Conversion Right attaching to any Note may be exercised, at the option of the holder thereof, at any time on or after 17 January 2008 up to the close of business (at the place where the Certificate evidencing such Note is deposited for conversion) on the 10th day prior to the Maturity Date (as defined in Condition 8 (both days inclusive) (but, except as provided in Condition 6(A)(iv), in no event thereafter) or, if such Note shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than seven business days (in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Note pursuant to Condition 8(D) or 8(E) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the "**Conversion Period**").

Neither the Trustee nor the Principal Agent shall be under any duty to calculate, determine or verify the number of Shares to be issued upon conversion of the Notes or verify the Issuer's determination of such number of Shares or method used or to be used in such determination and neither the Trustee nor the Principal Agent shall be responsible to Noteholders or any other person for any loss arising from any failure to do so or for any delay of the Issuer in making such determination or any erroneous determination by the Issuer.

The number of Shares to be issued on conversion of a Note will be determined by dividing the principal amount of the Note to be converted by the Conversion Price in effect at the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Notes. If more than one Note held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Notes to be converted.

(ii) *Fractions of Shares*: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if the Conversion Right in respect of more than one Note is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Notes being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 8 November 2007 which reduces the number of Shares outstanding, the Issuer will upon conversion of Notes pay in cash (in Australian dollars by means of an Australian dollar cheque drawn on, or by transfer to an Australian dollar account maintained by the payee with, a bank in Sydney, Melbourne or Brisbane, in accordance with instructions given by the relevant Noteholders, a sum equal to such portion of the principal amount of the Note or Notes evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(A)(i), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds A$10.00. Any such sum shall be paid not later than three Stock Exchange Business Days (as defined in Condition 6(B)(i)) after the relevant Conversion Date by means of an Australian dollar cheque drawn on, or by transfer to an Australian dollar account maintained by the payee with, a bank in Sydney, Melbourne or Brisbane, in accordance with instructions given by the relevant Noteholders.

(iii) *Conversion Price*: The price at which Shares will be issued upon conversion (the "**Conversion Price**") will initially be A$14.8648 per Share, but will be subject to adjustment in the manner provided in Condition 6(C) and 6(D).

(iv) *Revival and/or survival after Default*: Notwithstanding the provisions of Condition 6(A)(i), if (a) the Issuer shall default in making payment in full in respect of any Note which shall have been called for redemption on the date fixed for redemption thereof, (b) any Note has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10, or (c) any Note is not redeemed on the Maturity Date in accordance with Condition 8(A), the Conversion Right attaching to such Note will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Note is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Note has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Noteholders and notwithstanding the provisions of Condition 6(A)(i), any Note in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Note shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

(v) *Meaning of "Shares"*: As used in these Conditions, the expression "**Shares**" means fully paid ordinary shares of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

(vi) *No interest paid on conversion*: Save as provided in Condition 6(B)(iv), no payment or adjustment shall be made on conversion for any interest which otherwise would have accrued on the relevant Notes since the Interest Payment Date immediately preceding the Conversion Date relating to such Notes (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

(B) Conversion Procedure

(i) *Conversion Notice*: To exercise the Conversion Right attaching to any Note, the holder thereof must complete, execute and deposit at his own expense between 9:00 am and 3:00 pm at the specified office of any Conversion Agent a notice of conversion (a "**Conversion Notice**") in duplicate in the form (for the time being current) obtainable from the specified office of each Agent, together with the relevant Certificate and any amounts required to be paid by the Noteholder under Condition 6(B)(ii), or if notice requiring redemption has been given by the holder of such Note pursuant to Condition 8(D) and 8(E) then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

The conversion date in respect of a Note (the "**Conversion Date**") must fall at a time when the Conversion Right attaching to that Note is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(A)(iv) above) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Note and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. "**Stock Exchange Business Day**" means any day (other than a Saturday or Sunday) on which the Relevant Stock Exchange, is open for the business of dealing in securities.

(ii) *Stamp Duty etc.*: A Noteholder delivering a Certificate in respect of a Note for conversion must pay to the relevant Conversion Agent any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in Australia and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the ASX or the Alternative Stock Exchange on conversion) (the "**Taxes**") and such Noteholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Note in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Shares on conversion of Notes. The Noteholder (and, if applicable, the person other than the Noteholder to whom the Shares are to be issued) must provide the Agent with confirmation of payment to the relevant tax authorities in settlement of Taxes payable pursuant to this Condition 6(B)(ii). The Agent is under no obligation to determine whether a Noteholder is liable to pay any Taxes including capital, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition 6(B)(ii).

(iii) *Registration*: As soon as practicable, and in any event not later than five Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Notes converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Noteholder deposited as required by sub-paragraphs (i) and (ii), register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's share register and will, if the Noteholder has also requested in the Conversion Notice and to the extent permitted under the rules and procedures of the Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Ltd ("**CHESS**") (or any successor licensed clearance and settlement facility applicable to the Shares) effective from time to time, take all necessary action to procure that Shares are delivered through CHESS for so long as the Shares are listed on the ASX; or will make such certificate or certificates available for collection at the office of the Issuer's share registrar in Australia (currently Computershare Investor Services Pty Limited) notified to Noteholders in accordance with Condition 16 or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof. A single share certificate will be issued in respect of all Shares issued on conversion of Notes subject to the same Conversion Notice and which are to be registered in the same name.

If the Issuer is admitted to the official list of the Relevant Stock Exchange, on the date of issue of Shares issued on conversion of a Note, the Issuer will apply for quotation of such Shares on the Relevant Stock Exchange. The lodgement of an application for quotation of the Shares with the Relevant Stock Exchange by the Issuer will constitute a representation and warranty by the Issuer to the person to whom the Shares in question are issued on Conversion ("**Recipient**") that:

(i) the Ordinary Shares issued on conversion are issued solely for the purpose of satisfying the Issuer's contractual obligations under the terms of the Notes and not for the purpose of the person to whom those Shares are issued, selling or transferring the Shares or granting, issuing or transferring an interest in, or options over, them;

(ii) subject to the Relevant Stock Exchange granting quotation of the Shares issued on conversion of Notes, they will be freely tradable in the ordinary course on the Relevant Stock Exchange; and

(iii) an offer of the Shares issued on conversion for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Act.

Without limiting its obligations under this Condition 6(B), the Issuer must use all reasonable endeavours, and furnish all such quotation applications, documents, information and undertakings as may be reasonably necessary in order to procure the Relevant Stock Exchange quotation referred to in this Condition 6 on the Conversion Date.

If the Conversion Date in relation to any Note shall be on or after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to Condition 6(C) or 6(D), but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Noteholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), of such additional number of Shares as is equal to the number of Shares which would have been required to be issued on conversion of such Note if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date.

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "**Registration Date**"). The Shares issued upon conversion of the Notes will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration

Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Notes shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Note, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this paragraph prior to the time such retroactive adjustment shall have become effective), the Issuer will pay to the converting Noteholder or his designee an amount in Australian dollars (the "**Equivalent Amount**") equal to the Fair Market Value (as defined below) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by means of an Australian dollar cheque drawn on, or by transfer to an Australian dollar account maintained by the payee with, a bank in Sydney, Melbourne or Brisbane, in accordance with instructions given by the relevant Noteholders.

(iv) *Interest Accrual*: If any notice requiring the redemption of any Notes is given pursuant to Condition 8(B) or Condition 8(C) during the period beginning on the fifteenth day prior to the record date in respect of any dividend or distribution payable in respect of the Shares and ending on the Interest Payment Date next following such record date, where such notice specifies a date for redemption falling on or prior to the date which is 14 days after such next following Interest Payment Date, interest shall (subject as hereinafter provided) accrue on Notes as follows: (1) where Certificates have been delivered for conversion and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date; interest shall accrue on the Notes from the preceding Interest Payment Date (or, if the relevant Conversion Date falls on or before the first Interest Payment Date, from, and including, 7 December 2007 to, but excluding, the relevant Conversion Date); provided that no such interest shall accrue on any Note in the event that the Shares issued on conversion thereof shall carry an entitlement to receive such dividend or in the event the Note carries an entitlement to receive an Equivalent Amount. Any such interest shall be paid not later than 14 days after the relevant Conversion Date by an Australian dollar cheque drawn on, or by transfer to an Australian dollar account maintained by the payee with, a bank in Sydney, Melbourne or Brisbane, in accordance with instructions given by the relevant Noteholder.

(v) *Taxes*: No Paying, Transfer and Conversion Agent is under any obligation to determine whether a Noteholder or the Issuer is liable to pay any taxes including capital, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition 6(B) and neither shall they be liable for any failure by any Noteholder or the Issuer to make any such payment to the relevant authorities or determine the sufficiency or insufficiency of any amount so paid.

(C) Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in the following events as set out in the Trust Deed:

(1) *Consolidation, Subdivision or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(2) *Capitalisation of Profits or Reserves:*

(i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of Shares ("**Shareholders**") by way of capitalisation of profits or reserves (including any share premium account) including, Shares paid up out of distributable profits or reserves and/or share premium account issued (except any Scrip Dividend) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

(ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(3) *Extraordinary Dividend:*

If the Issuer shall pay or make to its Shareholders any Extraordinary Dividend (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(2) above) then, in such case, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the record date for the payment of the Extraordinary Dividend by the following fraction:

$$\frac{A-B}{A}$$

where:

A is the Current Market Price per Share on the last Trading Day preceding the record date of the payment of the Extraordinary Dividend; and

B is the Fair Market Value on such Trading Day of the portion of the Extraordinary Dividend which is attributable to one Share.

Such adjustment shall become effective on the date immediately after such record date. For the avoidance of doubt, when the Extraordinary Dividend is by means of a distribution of cash dividend, only such portion of the cash dividend which exceeds the Threshold Percentage for the period referred to in proviso (i) of the definition of Extraordinary Dividend (the "**excess portion**") shall be regarded as Extraordinary Dividend and only the excess portion shall be taken into account in determining the Fair Market Value of the portion of the Extraordinary Dividend attributable to one Share.

(4) *Rights Issues of Shares or Options over Shares*: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 95 per cent of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

(5) *Rights Issues of Other Securities*: If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A-B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be on the Relevant Stock Exchange.

(6) *Issues at less than Current Market Price*: If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(C)(4) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for Shares) or issue or grant (otherwise than as mentioned in Condition 6(C)(4) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 95 per cent of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares or would purchase at such Current Market Price; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

(7) *Other Issues at less than Current Market Price*: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(7), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Condition 6(C)(4), 6(C)(5) or 6(C)(6)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries), any other company, person or entity shall issue any securities (other than the Notes excluding for this purpose any further notes but including any Optional Notes) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than 95 per cent of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

(8) *Modification of Rights of Conversion etc.*: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C)(7) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank, considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(8) or Condition 6(C)(7).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(9) *Other Offers to Shareholders*: If and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(4), Condition 6(C)(5), Condition 6(C)(6) or Condition 6(C)(7)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A-B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue, sale or distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities.

(10) *Other Events*: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6, the Issuer shall, at its own expense, consult an Independent Investment Bank to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 6 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 as may be advised by the Independent Investment Bank to be in their opinion appropriate to give the intended result.

(11) *Sole responsibility of the Issuer*: Neither the Trustee nor the Principal Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or any calculation in connection with the Conversion Price and will not be responsible to Noteholders or any other person for any loss arising from any failure by it to do so or any adjustment or lack of adjustment of the Conversion Price.

For the purposes of these Conditions:

"**Alternative Stock Exchange**" means at any time, in the case of the Shares, if they are not at that time listed and traded on the ASX, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

"**Closing Price**" for the Shares for any Trading Day shall be the price published by the Relevant Stock Exchange.

"**Current Market Price**" means, in respect of a Share at a particular date, the average Volume Weighted Average Price for one Share (being a Share carrying full entitlement to dividend) for the ten consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said ten Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

(i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Volume Weighted Average Price on the dates on which the Shares shall have been quoted cum-dividend or any other entitlement shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend or entitlement per Share; or

(ii) if the Shares to be issued in such circumstances rank for the dividend in question, the Volume Weighted Average Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said ten Trading Days have been quoted cum-dividend or any other entitlement in respect of a dividend or entitlement which has been declared or announced but the Shares to be issued do not rank for that dividend or entitlement, the Volume Weighted Average Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend or entitlement per Share.

"**Extraordinary Dividend**" means (a) any dividend or distribution of assets in specie by the Issuer for any financial period (whenever paid or made and however described) (and for these purposes a distribution of assets in specie includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(C)(2)(i)) by way of capitalisation of reserves)) and including any Scrip Dividend to the extent of the Relevant Cash Dividend and (b) any cash dividend on distribution unless:

(i) (and to the extent that) it does not, when taken together with any other dividend or distribution (in either case, prior to any deduction in respect of withholding taxes plus any corporate tax attributable for such dividend or distribution) previously made or paid in the period of 365 days ending on the immediately preceding 30 June or 31 December (as the case may be), exceed the Threshold Percentage of the Issuer's consolidated net profits attributable to shareholders after deducting minority interests and tax for the 365 day period ending on the immediately preceding 30 June or 31 December prior to the date on which the cash dividend or distribution is made; or

(ii) (and to the extent that) in the case of a distribution in specie only it does not, when taken together with any other dividend or distribution previously made or paid in respect of all periods after 30 June 2007, exceed the aggregate of the consolidated net profits for such periods (less the aggregate of any consolidated net losses) attributable to shareholders after deducting minority interests and preference dividends (if any) but (1) deducting any amounts in respect of any asset previously credited to the Issuer's reserves (in respect of any period or date up to and including 30 June 2007) pursuant to any revaluation of such asset, where amounts arising on the disposal of such asset have contributed to such profits and (2) deducting any exceptional and extraordinary items, (and for the avoidance of doubt after excluding any amount arising as a result of any reduction in registered capital, share premium account or capital redemption reserve), in each case calculated by reference to the audited consolidated profit and loss accounts for such periods of the Issuer and its Subsidiaries; or

(iii) it comprises a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer), where the weighted average price (before expenses) on any one day in respect of such purchases does not exceed the Current Market Price of the Shares as published by the ASX or an Alternative Stock Exchange, as the case may be, by more than 5 per cent either (1) on that date, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day.

In making any such calculation, such adjustments (if any) shall be made as an Independent Investment Bank may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (c) the modification of any rights to dividends of Shares.

"Fair Market Value" means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment banks) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded.

"Independent Investment Bank" means an independent investment bank of international repute (acting as expert) selected by the Issuer and approved by the Trustee.

"Relevant Cash Dividend" means any cash dividend specifically declared by the Issuer.

"Relevant Stock Exchange" means at any time, in respect of the Shares, ASX or the Alternative Stock Exchange.

"Scrip Dividend" means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under Condition 6(C)(3) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or part thereof) but without prejudice to any adjustment required in such circumstances to be made under Condition 6(C)(2).

"Threshold Percentage" means, in respect of any period ending on or prior to 30 June 2010, 30 per cent and, in respect of any period ending thereafter, 50 per cent

"Trading Day" means a day when the Relevant Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

"Volume Weighted Average Price" means, in respect of a Share on any Trading Day, the volume-weighted average price of a Share published by or derived from the Relevant Stock Exchange, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Investment Bank on such dealing day, provided that on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share, in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Investment Bank considers appropriate to reflect any consolidation or sub-division of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

On any adjustment, the relevant Conversion Price, if not an integral multiple of one Australian cent, shall be rounded down to the nearest Australian cent No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Noteholders in accordance with Condition 16 as soon as practicable after the determination thereof.

Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in their opinion appropriate in order to give such intended result.

No adjustment will be made to the Conversion Price when (i) Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Issuer or any Subsidiary of the Issuer pursuant to any Employee Share Scheme (as defined in the Trust Deed) (and which Employee Share Scheme is in compliance with the listing rules of the Relevant Stock Exchange), or (ii) Shares are issued pursuant to the redemption of the Step-Up Preference Securities issued by Permanent Investment Management Limited (ABN45 003 278 831, AFSL 235150) on 28 August 2006 (the "**Step-Up Preference Securities**"), or (iii) any Shares are issued pursuant to the exercise of any options or other securities conferring a right to receive any Shares by any shareholder of the Issuer related to or associated with Mr. Terrence Elmore Peabody.

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(C)(1) above.

No adjustment may be made to the Conversion Price or the Conversion Period under these Conditions if to do so would contravene applicable law (including the ASX Listing Rules).

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to Noteholders for any loss arising from any failure by it to do so.

(D) Conversion upon Takeover Event

(i) If:

(a) an offer is made to all (or as nearly as may be practicable all) Shareholders or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate (as defined in section 12 of the Corporations Act) of the offeror) to acquire the whole or any part of the issued share capital of the Issuer, or

(b) any person proposes a scheme of arrangement with regard to such offer,

and such offer having become or been declared unconditional in all respects and such scheme having been approved by a relevant court, the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in the offeror and/or such associate(s) as aforesaid, or an event occurs which has a like or similar effect (a "**Takeover Event**"), then upon any exercise of Conversion Rights where the Conversion Date falls during the period (the "**Takeover Event Period**") commencing on the occurrence of the Takeover Event and ending 60 calendar days following the Takeover Event or, if later, 60 calendar days following the date on which a Takeover Event is given, the Conversion Price shall be as set out below, but in each case adjusted, if appropriate, under this Condition 6(D):

$$NCP = \frac{OCP}{1 + (CP \times c/t)}$$

Where:

"NCP" means the Conversion Price after the adjustment

"OCP" means the Conversion Price in effect on the date of the Takeover Event Notice;

"CP" means a Conversion Premium of 35% expressed as a fraction;

"c" means the number of days from and including the date of the Takeover Event Notice to but excluding the Maturity Date; and

"t" means the number of days from and including the Issue Date to but excluding the Maturity Date.

(ii) If Conversion Rights may be exercised in circumstances where the Conversion Price is to be determined as provided in this Condition 6(D), then the Issuer may elect pursuant to the Takeover Event Notice (as defined below) that a holder exercising Conversion Rights in those circumstances will not be entitled to receive that number of Shares (the "**Excess Shares**") in excess of the number of Shares it would have been entitled to receive if the Conversion Price had not been adjusted as provided in this Condition 6(D) but in lieu thereof shall be entitled to receive an amount (the "**Cash Amount**") determined by multiplying the number of Excess Shares by the Current Market Price of the Shares on the Conversion Date. Such Cash Amount shall be payable as provided in Condition 7.

(iii) Following the occurrence of a Takeover Event, the Issuer shall give notice thereof to the Trustee and the Noteholders in accordance with Condition 16 (a "**Takeover Event Notice**") within 14 calendar days of the first day on which it becomes so aware. Such notice shall contain a statement informing Noteholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and the Conversion Price applicable in consequence of the Takeover Event as set out in this Condition, as adjusted where appropriate. The Takeover Event Notice shall also specify:

(i) all information material to Noteholders concerning the Takeover Event;

(ii) the Conversion Price immediately prior to the occurrence of the Takeover Event and the Conversion Price applicable pursuant to this Condition during the Takeover Event Period;

(iii) the closing price of the Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of such notice;

(iv) the last day of the Takeover Event Period;

(v) whether or not the Issuer has elected to pay the Cash Amount in relation to each Note in accordance with the Condition 6(D)(ii); and

(vi) such other information relating to the Takeover Event as the Trustee may require.

None of the Trustee, the Paying Agents or the Registrar shall be required to take any steps to ascertain whether a Takeover Event or any event which could lead to a Takeover Event has occurred or may occur.

(E) Undertakings

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Note remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or with the approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of Noteholders to give such approval:

(i) it will use its best endeavours (a) to maintain a listing for all the issued Shares on the ASX, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Notes on the ASX, and if the Issuer is unable to obtain or maintain such listing, to use it best endeavours to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as the Issuer may from time to time determine and as may be approved by the Trustee and will forthwith give notice to the Noteholders in accordance with Condition 16 below of the listing or delisting of the Shares (as a class) by any such stock exchange;

(ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Notes;

(iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except pursuant to the terms of issue of any such relevant share capital;

(iv) it will use its best endeavours to maintain the listing of the Notes on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and if the Issuer is unable to maintain such listing, to use its best endeavours to obtain and maintain a listing on another internationally recognised stock exchange and will forthwith give notice to the Noteholders in accordance with Condition 16 below of the listing or delisting of the Notes by any such stock exchange;

(v) it will not issue or pay up any securities, in either case by way of capitalisation of profits or reserves, other than:

(a) by the issue of fully paid Shares to Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Shares; or

(b) by the issue of Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend; or

(c) by the issue of fully paid equity share capital (other than Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Shares); or

(d) by the issue of any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office whether of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them, or

(e) by the issue of Shares pursuant to the redemption of the Step-Up Preference Securities; or

(f) by the issue of Shares pursuant to the exercise of any options or other securities conferring a right to receive any Shares by any shareholder of the Issuer related to or associated with Mr. Terrence Elmore Peabody; or

(g) by the issue of Shares (including pursuant to the exercise of any options or other securities) to, or for the benefit of, owners of businesses or companies acquired or to be acquired by the Issuer or a Subsidiary of the Issuer in full or partial settlement of a business or share sale and purchase agreement entered into by the Issuer or such Subsidiary of the Issuer (provided such issue, offer or grant is in compliance with the listing rules of the Relevant Stock Exchange),

unless, in any such case, the same constitutes an Extraordinary Dividend or otherwise gives rise to an adjustment to the Conversion Price;

(vi) it will not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Shares (except for (a) preferred shares (being shares which carry no right to participate beyond a specified amount in any distribution), or (b) non-voting equity shares with preferential dividend rights, issued and to be issued by the issuer from time to time, provided that such modification is not materially prejudicial to the interests of the Noteholders), but so that nothing in this Condition 6(E) shall prevent:

(a) any modification of such rights which is not, in the opinion of an Independent Investment Bank, materially prejudicial to the interests of the holders of the Notes; or

(b) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Condition 6(C) relating to the carry forward of adjustments or the fact that the consideration per Share receivable therefor is at least 95% of the Current Market Price per Share, otherwise result, in an adjustment to the Conversion Price; or

(c) any issue of equity share capital or modification of rights attaching to the Shares where prior thereto the Issuer shall have instructed an Independent Investment Bank to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Investment Bank shall have determined either that no adjustment is required or that an adjustment resulting in an increase in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);

(vii) it will not make any issue, grant or distribution or take any other action if the effect thereof would be that, on the exercise of Conversion Rights, Shares could not, under any applicable law then in effect, be legally issued as fully paid.

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Note remains outstanding:

(i) it shall ensure that all Shares delivered on conversion of the Notes will be duly and validly issued as fully-paid; and

(ii) it will not make any offer, issue or distribute or take any action the effect of which would be to reduce the Conversion Price below a level that may be prescribed by applicable Australian laws and regulations from time to time (if any),

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as it may from time to time enjoy pursuant to applicable law to purchase its ordinary shares and any depositary or other receipts or certificates representing ordinary shares without the consent of Noteholders.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

(F) Notice of Change in Conversion Price

The Issuer shall give notice to the Noteholders in accordance with Condition 16 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

7 Payments

(A) Method of Payment

Payment of principal and interest due other than on an Interest Payment Date will be paid on the due date for payment of such principal and interest to the Noteholder shown on the Register at the close of business on the fifteenth day before the due date for the payment of such principal and interest (the "**Principal Record Date**"). Payments of such principal and interest on each Note will be made by transfer to the registered account of the Noteholder or by Australian dollar cheque drawn on a bank in Sydney, Melbourne or Brisbane mailed to the registered address of the Noteholder if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Interest on Notes due on an Interest Payment Date will be paid on the due date for the payment of interest to the Noteholder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "**Interest Record Date**"). Payments of interest on each Note will be made by transfer to the registered account of the Noteholder or by Australian dollar cheque drawn on a bank in Sydney, Melbourne or Brisbane mailed to the registered address of the Noteholder if it does not have a registered account.

References in these Conditions, the Trust Deed and the Agency Agreement to principal in respect of any Note shall, where the context so permits, be deemed to include a reference to any premium payable thereon.

(B) Registered Accounts

For the purposes of this Condition, a Noteholder's registered account means the Australian dollar account maintained by or on behalf of it with a bank in Sydney, Melbourne or Brisbane, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Noteholder's registered address means its address appearing on the Register at that time.

(C) Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(D) Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

(E) Delay In Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

(F) Business Day

In this Condition, "**business day**" means a day other than a Saturday or Sunday on which commercial banks are open for business in Sydney, Melbourne or Brisbane and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8 Redemption, Purchase and Cancellation

(A) Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Note at its principal amount on 7 December 2014 (the "**Maturity Date**"), together with unpaid accrued interest thereon to (but excluding) the Maturity Date. The Issuer may not redeem the Notes at its option prior to that date except as provided in Condition 8(B) or 8(C) below (but without prejudice to Condition 10).

(B) Redemption for Taxation Reasons

(i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable) at their principal amount together with interest accrued to (but excluding) the date fixed for redemption in the Tax Redemption Notice (the "**Tax Redemption Date**"), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 8 November 2007, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due. Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Noteholders. Upon the expiry of the Tax Redemption Notice, the Issuer will be bound to redeem the Notes at their principal amount together with any accrued interest up to (but excluding) the Tax Redemption Date.

(ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(B)(i), each Noteholder will have the right to elect that his Note(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal or premium to be made in respect of such Note(s) which fall(s) due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to this Condition 8(B)(ii), the holder of the relevant Note must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of exercise (the "**Noteholder's Tax Election Notice**"), in the form for the time being current, obtainable from the specified office of any Paying Agent together with the Certificate evidencing the Notes on or before the day falling 10 days prior to the Tax Redemption Date.

(C) Redemption at the Option of the Issuer

On giving not less than 30 nor more than 90 days' notice (an "**Optional Redemption Notice**") to the Noteholders and the Trustee (which notice will be irrevocable), the Issuer:

(i) may at any time on or after 7 December 2010 redeem all but not some only of the Notes for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption in the Optional Redemption Notice (the "**Optional Redemption Date**"), provided that the closing price of the Shares (as derived from the Relevant Stock Exchange), if on each of more than 20 Trading Days during any period of 30 consecutive Trading Days, the last of which occurs not more than 14 days prior to the date upon which notice of such redemption is published was at least 130 per cent of the Conversion Price in effect on such dealing day; or

(ii) may at any time redeem all but not some only, of the Notes for the time being outstanding at their principal amount together with interest accrued to (but excluding) the Optional Redemption Date provided that prior to the date of the Optional Redemption Notice at least 90 per cent in principal amount of the Notes originally issued (including any Optional Notes) has already been converted, redeemed or purchased and cancelled.

(D) Redemption at the option of the Noteholders

The Issuer will, at the option of the holder of any Note redeem all or some only of such holder's Notes on 7 December 2012 (the "**Put Option Date**") at their principal amount together with interest accrued to (but excluding) the Put Option Date. To exercise such option, the holder must deposit at the specified office of any Paying Agent a duly completed and signed put notice ("**Put Notice**") in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Notes to be redeemed not more than 60 days and not less than 30 days prior to the Put Option Date.

A Put Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent. No fewer than 30 nor more than 45 days' notice of the commencement of the period in which the put option can be exercised pursuant to this Condition 8(D) shall be given to the Noteholders.

(E) Redemption for Delisting

Following the occurrence of a Delisting Event (as defined below), the holder of each Note will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Notes on the Delisting Event Redemption Date at a price equal to their principal amount together with interest accrued to (but excluding) the Delisting Event Redemption Date. To exercise such right, the holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent ("**Delisting Event Redemption Notice**"), together with the Certificate evidencing the Notes to be redeemed by not later than 60 days following a Delisting Event, or, if later, 60 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 16. The "**Delisting Event Redemption Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A Delisting Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Notes the subject of the Delisting Event Redemption Notice as aforesaid on the Delisting Event Redemption Date. The Issuer shall give notice to Noteholders in accordance with Condition 16 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Delisting Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 8(E) and shall give brief details of the Delisting Event.

None of the Trustee, the Paying Agents or the Registrar shall be required to take any steps to ascertain whether a Delisting Event or any event which could lead to the occurrence of a Delisting Event has occurred.

A "**Delisting Event**" occurs when the Shares cease to be listed or admitted to trading on the Relevant Stock Exchange.

(F) Purchase

The Issuer or any of its Subsidiaries may at any time and from time to time purchase Notes at any price in the open market or otherwise.

(G) Cancellation

All Notes which are redeemed, converted or purchased by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Notes cancelled will be forwarded to or to the order of the Registrar and such Notes may not be reissued or resold.

(H) Redemption Notices

All notices to Noteholders given by or on behalf of the Issuer pursuant to this Condition will specify (i) the Conversion Price as at the date of the relevant notice, (ii) the Conversion Period, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the date for redemption, (v) the manner in which redemption will be effected and (vi) the aggregate principal amount of the Notes outstanding as at the latest practicable date prior to the publication of the notice.

9 Taxation

All payments made by the Issuer under or in respect of the Notes, the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Australia or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts (the "**Additional Tax Amounts**") as will result in the receipt by the Noteholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Note:

(i) *Other connection*: to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Australia otherwise than merely by holding the Note or by the receipt of amounts in respect of the Note;

(ii) *Presentation more than 30 days after the relevant date*: (in the case of a payment of principal) if the Certificate in respect of such Note is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days;

(iii) *Payment to individuals*: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Union Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) *Payment by another Paying and Conversion Agent*: presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

(v) *Associate*: Where such withholding is required as a result of the holder being an Associate of the Issuer that did not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of an Australian registered managed investments scheme and that is:

(1) a tax resident of Australia that holds its Notes in carrying on a business in a country outside Australia at or through a permanent establishment of that Associate in that country; or

(2) not a tax resident of Australia that does not hold the Notes in carrying on a business in Australia at or through a permanent establishment in Australia; or

(vi) *Tax resident of Australia*: to a holder (or to a third party on behalf of a holder) who is a tax resident of Australia who does not notify the Issuer of their Australian Business Number, Australian Tax File Number or provide evidence of a relevant Australian Tax File Number exemption before interest on the Notes is paid.

For the purposes hereof, "**relevant date**" means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders and cheques despatched or payment made.

"**Associate**" has the meaning given to it in Section 128F(9) of the Income Tax Assessment Act 1936 of Australia.

References in these Conditions to principal (if any) shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

10 Events of Default

(A) Events of Default

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the holders to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at their principal amount (subject as provided below and without prejudice to the right of Noteholders to exercise the Conversion Right in respect of their Notes in accordance with Condition 6) if:

(i) *Non-Payment*: a default is made for more than three days in the payment of any principal or 14 days in the payment of any interest due in respect of the Notes;

(ii) *Breach of Other Obligations*: the Issuer does not perform or comply with one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;

(iii) *Failure to deliver Shares*: the Issuer fails to deliver any Shares as and when the Shares are required to be delivered following Conversion of Notes;

(iv) *Insolvency*: the Issuer or any of its Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, an administrator or liquidator of the Issuer or any of its Subsidiaries or the whole or any material part of the assets and turnover of the Issuer or any of its Subsidiaries is appointed (or application for any such appointment is made).

For the purpose of this Condition 10(A) the Issuer or a Subsidiary is insolvent if:

(a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or

(b) it has a controller (as defined in the Corporations Act) appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a receiver appointed to any part of its property; or

(c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statue or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent); or

(d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days unless being contested in good faith and by appropriate proceedings) or a resolution is passed, in each case in connection with that person, which could result in any of (a), (b) or (c) above; or

(e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or

(f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act; or (vii) it is otherwise unable to pay its debts when they fall due; or

(g) something having a substantially similar effect to (a) to (f) happens in connection with that person under the law of any jurisdiction;

(v) *Cross-Default*: if:

(i) any other present or future Financial Indebtedness of the Issuer or any of its Subsidiaries becomes due and payable prior to its stated maturity date by reason of any actual or potential default, event of default or the like (howsoever described) and rights in relation to which are being exercised or enforced by or on behalf of the party to which the Financial Indebtedness is owing, or

(ii) the principal amount of any such Financial Indebtedness is not paid when due or, as the case may be, within any applicable grace period,

(each of these events set out in sub-paragraphs (i) and (ii) being a "**Cross Acceleration Event**"), provided that (a) the aggregate amount of the relevant Financial Indebtedness, guarantees and indemnities in respect of which one or more Cross Acceleration Events have occurred equals or exceeds A$2,500,000 or its equivalent (as reasonably determined by the Trustee) and (b) no Event of Default may be declared under this paragraph until the day falling 91 days after the date on which the relevant Cross Acceleration Event shall have occurred;

(vi) *Enforcement Proceedings*: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or turnover of the Issuer or any of its Subsidiaries and is not discharged or stayed within 30 days;

(vii) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Subsidiaries (except for a members' voluntary solvent winding up of a Subsidiary), or the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Subsidiary, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries;

(viii) *Security Enforced*: an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or any substantial part of the property, assets or turnover of the Issuer or any of its Subsidiaries (as the case may be) and is not discharged within 30 days;

(ix) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (b) to ensure that those obligations are legally binding and enforceable and (c) to make the Notes and the Trust Deed admissible in evidence in the courts of Australia is not taken, fulfilled or done;

(x) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or

(xi) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

provided that, in the case of any such event other than those described in paragraphs (i), (ii), (iii), (v), (viii) and (ix), the Trustee shall have certified in writing to the Issuer that such event is in its opinion materially prejudicial to the interests of Noteholders.

(B) Default Cure Amount

Notwithstanding receipt of any payment after the acceleration of the Notes, a Noteholder may exercise its Conversion Right by depositing a Conversion Notice with a Conversion Agent or Paying Agent during the period from and including the date of a default notice with respect to an event specified in Condition 10(A) (at which time the Issuer will notify the Noteholders of the number of Shares per Note to be delivered upon conversion, assuming all the then outstanding Notes are converted) to and including the 30th business day after such payment.

If any converting Noteholder deposits a Conversion Notice pursuant to this Condition 10(B) on the business day prior to, or during, a Closed Period, the Noteholder's Conversion Right shall continue until the business day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Noteholder's exercise of its Conversion Right pursuant to this Condition 10(B).

If the Conversion Right attached to any Note is exercised pursuant to this Condition 10(B), the Issuer will deliver Shares (which number will be disclosed to such Noteholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have twelve business days before it is required to register the converting Noteholder (or its designee) in its register of members as the owner of the number of Shares to be delivered pursuant to this Condition and an additional five business days from such registration date to make payment in accordance with the following paragraph.

If the Conversion Right attached to any Note is exercised pursuant to this Condition 10, or if the Notes have become due and payable pursuant to Condition 10(A)(iii), the Issuer shall, at the request of the converting Noteholder, pay to such Noteholder an amount in Australian dollar (the "**Default Cure Amount**"), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Noteholder minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Noteholders' Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Noteholder has received any payment under the Notes pursuant to this Condition 10(B), the amount of such payment shall be deducted from the Default Cure Amount.

The "**Share Price**" means the closing price of the Shares as quoted by the Relevant Stock Exchange on the Conversion Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the Relevant Stock Exchange or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Trustee at the expense of the Issuer for such purpose.

11 Prescription

Claims in respect of amounts due in respect of the Notes will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest or premium (if any)) from the relevant date (as defined in Condition 9) in respect thereof. Neither the Trustee nor any Agent shall be responsible or liable for any amounts so prescribed.

12 Enforcement

At any time after the Notes have become due and repayable, the Trustee may, at its sole discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Notes and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent in principal amount of the Notes then outstanding or shall have been so directed by an Extraordinary Resolution of the Noteholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13 Meetings of Noteholders, Modification, Waiver and Substitution

(A) Meetings

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent in principal amount of the Notes for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the due date for any payment in respect of the Notes, (ii) to reduce or cancel the amount of principal, interest or premium (if any), or Equivalent Amount payable in respect of the Notes, (iii) to change the currency of payment of the Notes, (iv) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel the Conversion Rights, or (v) to modify the provisions concerning the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 per cent, or at any adjourned such meeting not less than 33 per cent, in principal amount of the Notes for the time being outstanding. An

Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent of the aggregate principal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

(B) Modification and Waiver

The Trustee may agree, without the consent of the Noteholders, to (i) any modification (except as mentioned in Condition 13(A) above) to, or the waiver or authorisation of any breach or proposed breach of, the Notes, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (ii) any modification to the Notes or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Noteholders as soon as practicable thereafter.

(C) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of certain other entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Notes and as a party to the Agency Agreement.

(D) Interests of Noteholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent provided for in Condition 9 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(E) Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

In the event of the passing of an Extraordinary Resolution in accordance with Condition 13(A), a modification, waiver or authorisation in accordance with Condition 13(B) or a substitution in accordance with Condition 13(C), the Issuer will procure that the Noteholders be notified in accordance with Condition 16.

14 Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects and so that such further issue shall be consolidated and form a single series with the Notes. Such further notes may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

The Issuer has granted to the Lead Manager an option which can be exercised, in whole or in part and on one or more occasions, at any time up to and including 6 January 2008 to subscribe for a further up to A$32,500,000 in aggregate principal amount of Notes. Such additional Notes, if issued, will be issued pursuant to Condition 15.

16 Notices

All notices to Noteholders shall be validly given if mailed to them at the Issuer's expense at their respective addresses in the register of Noteholders maintained by the Registrar or published in a leading newspaper having general circulation in London (which is expected to be the Financial Times) and so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, published in a leading newspaper having general circulation in Singapore (which is expected to be *The Business Times*). Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed, as the case may be.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 Agents

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar. The Issuer will at all times maintain (a) a Principal Agent, (b) as necessary or as requested by the Trustee, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Directive 2003/48/EC or any other European Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform, to such Directive, and (c) a Registrar which will maintain the register of Noteholders outside the United Kingdom. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Noteholders and in any event not less than 45 days' notice will be given.

18 Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

20 Governing Law and Submission to Jurisdiction

The Notes, the Trust Deed and the Agency Agreement are governed by, and shall be construed in accordance with, the laws of England. In relation to any legal action or proceedings arising out of or in connection with the Trust Deed or the Notes the Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England and in relation thereto has appointed Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in England.