

Information Memorandum

Tasmanian Public Finance Corporation

Guaranteed by the State of Tasmania

US\$2,500,000,000

Euro-Commercial Paper Programme

Deutsche Bank AG, London Branch
as Arranger

Barclays Capital
Citibank International plc
Deutsche Bank AG, London Branch
as Dealers

Deutsche Bank AG, Hong Kong Branch
as Issue Agent and Principal Paying Agent

November 2008

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Important Notice

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the **Information Memorandum**) contains summary information provided by Tasmanian Public Finance Corporation (the **Issuer**) in connection with a euro-commercial paper programme (the **Programme**) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the **Notes**) up to a maximum aggregate amount of US\$2,500,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (**Regulation S**) of the *United States Securities Act* of 1933, as amended (the **Securities Act**). All Notes issued under the Programme have the benefit of a Guarantee under section 15 of the *Tasmanian Public Finance Corporation Act* 1985 (the **Act**) of the State of Tasmania (the **Guarantor**) pursuant to which the Guarantor guarantees the liabilities incurred by the Issuer in respect of the Notes.

The Issuer has, pursuant to a dealer agreement dated 5 November 2008 (the **Dealer Agreement**), appointed Deutsche Bank AG, London Branch as arranger (the **Arranger**) and appointed Barclays Bank PLC, Citibank International plc (acting through its London and Hong Kong branches) and Deutsche Bank AG, London Branch (acting through its Singapore and London offices) as dealers (each, a **Dealer**) in respect of Notes to be issued under the Programme and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Notes.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading.

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

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

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Dealers or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it

may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to the Arranger's or any Dealer's attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes and the Issuer set out under Selling Restrictions below.

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

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the *FSMA*)) received in connection with the issue or sale of any Notes will only be made in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

NOTICE TO RESIDENTS OF HONG KONG

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This Information Memorandum has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Notes may not be offered or sold in Hong Kong by means of this Information Memorandum or any other document other than to 'professional investors' (as such term is defined in Part I of Schedule 1 to the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder (professional investors), or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance of Hong Kong (Cap. 32) or do not constitute an offer or an invitation to the public for the purposes of the Companies Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to such professional investors. Offers of Notes will not be and may not be made to any person in Hong Kong other than in the manner contemplated in this Information Memorandum.

No person to whom a copy of this Information Memorandum is given may issue, circulate or distribute this Information Memorandum in Hong Kong or make or give a copy of this Information Memorandum to any

person. Investors are advised to exercise caution in relation to the offer of Notes pursuant to this Information Memorandum. If investors are in any doubt about the contents of this Information Memorandum, they should obtain independent professional advice.

Interpretation

In this Information Memorandum, references to:

- (a) A\$ and Australian dollars are to the currency for the time being of Australia;
- (b) U.S. dollars and US\$ are to the currency for the time being of the United States of America;
- (c) Euro and € are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;
- (d) Sterling and £ are to the currency for the time being of the United Kingdom;
- (e) Canadian dollars and CAD are to the currency for the time being of Canada;
- (f) Swiss francs and CHF are to the currency for the time being of Switzerland;
- (g) Hong Kong dollars and HKD are to the currency for the time being of the Hong Kong Special Administrative Region of the People's Republic of China;
- (h) Norwegian kroner and NOK are to the currency for the time being of Norway;
- (i) New Zealand dollars and NZD are to the currency for the time being of New Zealand;
- (j) Swedish kroner and SEK are to the currency for the time being of Sweden; and
- (k) Singapore dollars or SGD are to the currency for the time being of Singapore.

Tax

No comment is made or advice given by the Issuer, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

Documents Incorporated by Reference

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

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

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

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

Copies of the most recently published annual reports of the Issuer (commencing with the 2007 Annual Report) are available on the following website:

<http://www.tascorp.com.au>

Summary of the Terms and Conditions of the Programme

Issuer:	Tasmanian Public Finance Corporation
Guarantor:	State of Tasmania
Arranger:	Deutsche Bank AG, London Branch
Dealers:	Barclays Bank PLC Citibank International plc Deutsche Bank AG, London Branch
Issue and Paying Agent	Deutsche Bank AG, Hong Kong Branch
Maximum amount of the Programme:	The outstanding principal amount of Notes will not exceed US\$2,500,000,000 (or its equivalent in other currencies) at any time. The maximum amount may be changed from time to time in accordance with the terms of the Dealer Agreement.
Guarantee:	All Notes have the benefit of section 15 of the <i>Tasmanian Public Finance Corporation Act (the Act)</i> .
Programme Ratings:	The Issuer's Euro Commercial Paper is currently rated by Moody's Investors Services and Standard & Poor's. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to review, suspension or withdrawal at any time by the relevant rating agency.
Form of Notes:	The Notes will be in bearer form. The Notes will initially be in global form (the <i>Global Notes</i>). A Global Note will be exchangeable into definitive notes (the <i>Definitive Notes</i>) only in circumstances set out in the Global Note.
Delivery:	Global Notes will be deposited with a common depository for Euroclear Bank S.A./N.V. (<i>Euroclear</i>) and Clearstream Banking, <i>société anonyme (Clearstream, Luxembourg)</i> or with any other recognised clearing system. Account holders will, in respect of Notes, have the benefit of a Deed of Covenant dated 5 November 2008 (the <i>Deed of Covenant</i>) given by the Issuer as set out on pages 28 to 34 inclusive below and copies of which may be inspected during normal business hours at the offices of the Principal Paying Agent. Definitive Notes (if any are printed) will be available in Hong

	Kong for collection or for delivery to Euroclear, Clearstream, Luxembourg or any other recognised clearing system.
Currencies:	Notes may be denominated in U.S. dollars, Australian dollars, euro, Sterling, Canadian dollars, Swiss francs, Hong Kong dollars, Norwegian kroner, New Zealand dollars, Swedish kroner or Singapore dollars and any freely transferable currency which is freely convertible into Australian dollars and subject to compliance with any applicable legal and regulatory requirements.
Term of Notes:	The tenor of the Notes shall be not less than one day or more than 364 days from and including the date of issue, subject to compliance with all applicable legal and regulatory requirements.
Denomination of the Notes:	Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum denominations for Notes are: for A\$ Notes, A\$500,000; (b) for USD Notes, US\$500,000; (c) for Euro Notes, €500,000; (d) for Sterling Notes, £100,000; (e) for CAD Notes, CAD500,000; (f) for CHF Notes, CHF500,000; (g) for HKD Notes, HKD500,000; (h) for NOK Notes, NOK500,000; (i) for NZD Notes, NZD500,000; (j) for SEK Notes, SEK500,000; and (k) for SGD Notes, SGD500,000 or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and provided that the equivalent of that denomination in Sterling is not less than £100,000.
Listing:	The Notes will not be listed on any stock exchange.
Yield Basis:	The Notes will only be issued at a discount.
Redemption:	The Notes may be redeemed at par on the relevant maturity date.
Status of Notes:	The Issuer's payment obligations under the Notes rank and will at all times rank at least <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations preferred by mandatory provisions of law applying to the Issuer.
Selling Restrictions:	Offers and sales of Notes and the distribution of this

Information Memorandum and other information relating to the Issuer and the Notes are subject to all applicable selling restrictions including, without limitation, those set out under ***Selling Restrictions*** on pages 35 to 40 inclusive below.

Taxes: Subject to the limitations and exceptions set out in the Notes, all payments under the Notes will be made free from any set-off and will be grossed up for any deduction or withholding for or on account of any taxes imposed or levied by or within the Commonwealth of Australia or by any other jurisdiction out of which payments are made.

Governing Law: The Notes and the Deed of Covenant will be governed by the laws of England.

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

The foregoing is a brief summary of certain terms of the Programme and is for all purposes without prejudice and subject to the full terms and conditions of the several agreements among and between the Issuer, the Arranger, the Dealers, the Issue Agent and the Principal Paying Agent (as any of the same may be amended, supplemented or restated from time to time).

Description of the Issuer and Guarantor

Introduction

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

Functions and Powers of the Issuer

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

Under section 11(2) of the Act, the Treasurer has granted TASCORP the power to, inter alia:

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

Guarantee

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

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

Guarantor

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

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

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

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

Tasmania follows the Westminster style of government, with power formally vested in a Governor (representing Her Majesty the Queen) and the Parliament. The Tasmanian Parliament consists of the House of Assembly (the Lower House) and the Legislative Council (the Upper House).

Members of both houses represent electorates, and are elected by residents of those electorates at the time of the election.

The Commonwealth Government has been the sole income taxing authority in Australia since 1942. The Commonwealth Government also collects the Goods and Services Tax (*GST*) introduced in 2000. State and Territory governments levy taxes on such things as property transactions, payrolls, gambling and motor vehicles.

Under an agreement between the Commonwealth, States and Territories, all GST revenue is passed by the Commonwealth Government to the States and Territories. Any change to this arrangement requires the unanimous approval of all the parties to the agreement and the approval of the Commonwealth Parliament. Additional to GST revenue, the Commonwealth Government also makes specific purpose payments to the States and Territories. In the case of Tasmania, GST revenue represented approximately 40% of the State Government's total operating revenue in the 2006/07 financial year. Specific purpose Commonwealth Government payments contributed another 20% of operating revenue, and State taxes amounted to a further 20%. In aggregate, therefore, taxation represents approximately 80% of the revenues of the Guarantor.

Form of Notes

Part I – Form of Multicurrency Global Note

Form of Multicurrency Global Note (Discounted)

The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the *Securities Act*) and may not be offered or sold within the United States or to, for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

TASMANIAN PUBLIC FINANCE LIMITED (incorporated in the Commonwealth of Australia) guaranteed by the STATE OF TASMANIA

No:	Series No:
Issue Date:	Maturity Date ¹ :
Contractual Currency:.....	Denomination:
	<i>(not less than permitted minimum denomination)</i>
Nominal Amount: ²	Interest Basis: Discounted
<i>(words and figures if Global Note is denominated in Sterling)</i>	
Relevant Base Rate:	
<i>(applicable to default interest)</i>	

1. For value received Tasmanian Public Finance Corporation (the *Issuer*) promises to pay to the bearer of this Global Note on the Maturity Date the Nominal Amount together (if applicable) with default interest thereon at the times specified herein.

All such payments shall be made in accordance with the Issue and Paying Agency Agreement dated [*] 2008 between the Issuer and Deutsche Bank AG, Hong Kong Branch as principal paying agent (in such capacity, the *Principal Paying Agent*) and as issue

¹ Not to be more than 364 days from (and including) the Issue Date.

² Complete for all Global Notes.

agent (in such capacity, the **Issue Agent**), a copy of which is available for inspection at the office of the Principal Paying Agent at 48th Floor, Cheung Kong Centre, 2 Queen's Road, Central, Hong Kong, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the office of the Principal Paying Agent referred to above by transfer to the account denominated in the Contractual Currency maintained by the bearer:

- (a) if the Contractual Currency is other than euro or U.S. dollars, in the principal financial centre in the country of the Contractual Currency;
- (b) if the Contractual Currency is euro, any principal financial centre of a country which operates a clearing system in euro; or
- (c) if the Contractual Currency is U.S. dollars, in London.

In the event that any additional or further paying agents are appointed by the Issuer, the Issuer shall procure that a notice specifying such additional or further paying agent be given as soon as practicable after such appointment. Such notice will be delivered to clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer Definitive Notes, it will be delivered to the bearer(s) of the relevant Definitive Notes or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside of the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in London.

In this Global Note:

Alternative Currency means a currency other than U.S. dollars that may be agreed from time to time by the Issuer and the relevant Dealer (each as defined in the Dealer Agreement).

Business Day means any day, other than a Saturday or Sunday, on which:

- (a) commercial banks and foreign exchange markets settle payments and are open for general business in Sydney, Hong Kong and London and in the place of payment of the relevant currency; and
- (b) each of Euroclear Bank S.A./N.V. and Clearstream, Luxembourg are operating; and
- (c) in relation to:
 - (i) U.S. Dollars or U.S. Dollar Notes, a day on which banks are open for general business in London;
 - (ii) a payment to be made in euro, the TARGET 2 system is operating credit or transfer instructions in respect of payments in euro (a **euro Business Day**); or

- (iii) an Alternative Currency or an Alternative Currency Note, a day on which banks are open for general business in the place of payment of the relevant currency.

Dealer Agreement means the dealer agreement dated [*] between the Issuer, Deutsche Bank AG, London Branch (as arranger) and Barclays Bank PLC, Citibank International plc and Deutsche Bank AG, London Branch (as the dealers).

Offshore Associate means an associate (as defined in section 128F of the *Income Tax Assessment Act 1936* (Cth) of Australia) of the Issuer that is either a non-resident of the Commonwealth of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

Relevant Base Rate means the one month interbank rate in the relevant currency as determined by the Principal Paying Agent.

TARGET 2 means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) System, or any successor thereto.

2. This Global Note is issued in representation of an issue of Notes in the aggregate Nominal Amount specified above.
3. All payments in respect of this Global Note by or on behalf of the Issuer shall (except to the extent required by law) be made free from any set-off or deduction or withholding for or on account of any present or future taxes, levies, imposts, duties, fees or charges of a similar nature imposed or levied by or within the Commonwealth of Australia or out of any other jurisdiction out of which payments are made (**Taxes**). If the Issuer or any agent thereof is required by law or regulation to make such a deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall be equal to the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
 - (a) in respect of any such deduction or withholding on account of tax on the overall net income of the bearer of this Global Note; or
 - (b) to, or to a third party on behalf of, the payee where such deduction or withholding is required by reason of the bearer of this Global Note having some connection with the Commonwealth of Australia other than merely being the bearer of this Global Note, or the mere holding of and payment in respect of this Global Note; or
 - (c) more than 30 days after the Maturity Date, except to the extent that the holder would have been entitled to such additional amount had such demand been made on the last day of such period of 30 days; or
 - (d) to, or to a third party on behalf of, the bearer of this Global Note who is an Offshore Associate of the Issuer if, and to the extent that, the *Income Tax*

Assessment Act 1936 (Cth) of Australia (**Tax Act**) requires withholding tax to be paid in respect of interest, as defined in the Tax Act, payable in respect of this Global Note which would otherwise not be payable were the bearer not an Offshore Associate of the Issuer; or

- (e) to, or to a third party on behalf of, the bearer of this Global Note who directly or indirectly has an interest in or right in respect of this Global Note where, under the Tax Act, a determination has been made by the Commissioner of Taxation that withholding tax is payable in respect of the payment in circumstances where such bearer, or a person on behalf of such bearer, is party to or participated in a scheme to avoid withholding tax, being a scheme which the Issuer neither was party to nor participated in; or
 - (f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income; or
 - (g) if presented for payment by or on behalf of the bearer of this Global Note who would have been able to avoid such withholding or deduction by presenting this Global Note to another Paying Agent in a Member State of the European Union; or
 - (h) if the bearer of this Global Note is a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment in Australia (the expressions 'resident of Australia', 'non-resident' and 'permanent establishment' having the meanings given to them by the Tax Act) if, and to the extent that, section 126 of the Tax Act (or any equivalent provisions) requires the Issuer to pay income tax in respect of interest payable on this Global Note and the income tax would not be payable were the bearer not such a resident of Australia or non-resident.
4. If the Maturity Date is not a Business Day, payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Business Day (unless that date falls more than 364 days after the Issue Date, in which case payments shall be made on the immediately preceding Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein of rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

Provided that if the Principal Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Principal Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Principal Paying Agent may determine.

5. The payment obligations of the Issuer represented by this Global Note constitutes and at all times will constitute a direct and unsecured obligation of the Issuer ranking at least *pari*

passu with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to the Issuer.

6. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
7. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if the clearing system(s) in which this Global Note is held at the relevant time is closed for a continuous period of 14 days or more (other than by reason of weekends or public holidays statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Principal Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

8. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (Hong Kong time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive Notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated [*] 2008 as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer.
9. This Global Note has the benefit of a guarantee from the State of Tasmania (the **Guarantor**) pursuant to section 15 of the *Tasmanian Public Finance Corporation Act 1985* of the State of Tasmania, details of which are set out in the Information Memorandum and copies of which are available for inspection during normal business hours at the offices of the Principal Paying Agent referred to above.
10. If (i) the Issuer fails to pay an amount payable by it under a Note on the due date for such payment or (ii) for any reason (other than negligence or misconduct on the part of the Principal Paying Agent or the servants or agents of it), the amounts received by the Principal Paying Agent are insufficient to satisfy all claims in respect of all payments then due on the Notes (each, a **Default**), the Principal Paying Agent shall not be obliged to pay any such claims until the Principal Paying Agent has received or has had made available to its order the full amount of the moneys then due and payable in respect of such Notes.

11. If a Default occurs, the Issuer agrees on demand to pay to the Principal Paying Agent, in addition to the amount which should have been paid, interest on the unpaid sum from the due date up to the date of actual payment at a rate of the aggregate of 1 per cent per annum and the Relevant Base Rate.
12. Instructions for payment must be received at the offices of the Principal Paying Agent together with this Global Note as follows:
 - (a) if this Global Note is denominated in Australian Dollars, NZD or HKD, at least two Business Days prior to the relevant payment date;
 - (b) if this Global Note is denominated in United States Dollars, CAD or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least one Business Day prior to the relevant payment date.

13. This Note will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefore.

Relevant Date means the date on which such payment first becomes due, except that if such payment has been received after the due date by the Principal Paying Agent, such date on which the Principal Paying Agent has received the aforementioned payment.

14. Subject to the terms of any notice to the contrary given to holder of this Note by the Issuer, payment will be effected through Euroclear or Clearstream, Luxembourg, or any other recognised clearing system and made against presentation of the Note at the offices of the Principal Paying Agent (as the case may be). Such payments are to be made in accordance with the conditions of the Note, subject in all cases to any fiscal or other laws and regulations applicable thereto and without prejudice to the provisions of Taxes.
15. This Global Note shall not be validly issued unless manually authenticated by Deutsche Bank AG, Hong Kong Branch as Issue Agent.
16. This Global Note is governed by, and shall be construed in accordance with, English law.

The courts of England and of the State of Tasmania are to have jurisdiction to settle any disputes which may arise out of or in connection with this Global Note and accordingly any legal action or proceedings arising out of or in connection with this Global Note (**Proceedings**) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the grounds of venue or on the grounds that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the bearer and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer has appointed Law Debenture Corporate Services Limited, of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, to receive, for it and on its behalf, service of process in any Proceedings in the courts of England. Nothing shall affect the right to serve process in any other manner permitted by law.

To the extent that the Issuer is or becomes entitled to any immunity, it does hereby irrevocably agree not to plead or claim any such immunity with respect of its obligations under or arising out of or in connection with this Global Note.

17. No person shall have any right to enforce any provision of this Note under the *Contracts (Rights of Third Parties) Act 1999* but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Signed for and on behalf of **TASMANIAN PUBLIC FINANCE CORPORATION** by its duly authorised delegates under the Instrument of Delegation dated 7 September 2007, who hereby state that at the time of executing this Note they have no notice of revocation or suspension of their authority under that Instrument of Delegation, in the presence of:

Witness signature

Print Name

Delegate signature

Print Name

Delegate signature

Print Name

AUTHENTICATED by
DEUTSCHE BANK AG, HONG KONG BRANCH

Without recourse, warranty or liability
and for authentication purposes only

By:

(Authorised Signatory)

By:

(Authorised Signatory)

Part II – Form of Multicurrency Definitive Note

Form of Multicurrency Definitive Note (Discounted)

The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the *Securities Act*) and may not be offered or sold within the United States or to, for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act.

TASMANIAN PUBLIC FINANCE LIMITED (incorporated in the Commonwealth of Australia) guaranteed by the STATE OF TASMANIA

No:	Series No:.....
Issue Date:	Maturity Date ¹ :
Contractual Currency:.....	Denomination:
	<i>(not less than permitted minimum denomination)</i>
Nominal Amount: ²	Interest Basis: Discounted
<i>(words and figures if Definitive Note denominated in Sterling)</i>	
Relevant Base Rate:	
<i>(applicable to default interest)</i>	

1. For value received Tasmanian Public Finance Corporation (the *Issuer*) promises to pay to the bearer of this Definitive Note on the Maturity Date the Nominal Amount together (if applicable) with default interest thereon at the times specified herein. All such payments shall be made in accordance with the Issue and Paying Agency Agreement dated [*] 2008 between the Issuer and Deutsche Bank AG, Hong Kong Branch as

¹ Not to be more than 365 days from (and including) the Issue Date.

²² Complete for all Definitive Notes.

principal paying agent (in such capacity, the **Principal Paying Agent**) and as issue agent (in such capacity, the **Issue Agent**), a copy of which is available for inspection at the office of the Principal Paying Agent at 48th Floor, Cheung Kong Centre, 2 Queen's Road, Central, Hong Kong, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and either surrender or endorsement, as the case may be, of this Definitive Note at the office of the Principal Paying Agent referred to above by transfer to an account denominated in the Contractual Currency maintained by the bearer:

- (i) if the Contractual Currency is other than euro or U.S. dollars, in the principal financial centre in the country of the Contractual Currency, or
- (ii) if the Contractual Currency is euro, any principal financial centre of a country which operates a clearing system in euro, or
- (iii) if the Contractual Currency is U.S. dollars, in London.

In the event that any additional or further paying agents are appointed by the Issuer, the Issuer shall procure that a notice specifying such additional or further paying agent be given as soon as practicable after such appointment. Such notice will be delivered to the bearer of this Definitive Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.

Notwithstanding the foregoing, presentation and surrender of this Definitive Note shall be made outside of the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Definitive Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in London.

In this Definitive Note:

Alternative Currency means a currency other than U.S. dollars that may be agreed from time to time by the Issuer and the relevant Dealer (each as defined in the Dealer Agreement).

Business Day means any day, other than a Saturday or Sunday, on which:

- (a) commercial banks and foreign exchange markets settle payments and are open for general business in Sydney, Hong Kong and London and in the place of payment of the relevant currency; and
- (b) each of Euroclear Bank S.A./N.V. and Clearstream, Luxembourg are operating; and
- (c) in relation to:
 - (i) U.S. Dollars or U.S. Dollar Notes, a day on which banks are open for general business in London;

- (ii) a payment to be made in euro, the TARGET 2 system is operating credit or transfer instructions in respect of payments in euro (a *euro Business Day*); or
- (iii) an Alternative Currency or an Alternative Currency Note, a day on which banks are open for general business in the place of payment of the relevant currency.

Dealer Agreement means the dealer agreement dated [*] between the Issuer, Deutsche Bank AG, London Branch (as arranger) and Barclays Bank PLC, Citibank International plc and Deutsche Bank AG, London Branch (as the dealers).

Offshore Associate means an associate (as defined in section 128F of the *Income Tax Assessment Act 1936* (Cth) of Australia) of the Issuer that is either a non-resident of the Commonwealth of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

Relevant Base Rate means the one month interbank rate in the relevant currency as determined by the Principal Paying Agent.

TARGET 2 means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) System, or any successor thereto.

2. This Definitive Note is issued in representation of an issue of Notes in the aggregate Nominal Amount specified above.
3. All payments in respect of this Definitive Note by or on behalf of the Issuer shall (except to the extent required by law) be made free from any set-off or deduction or withholding for or on account of any present or future taxes, levies, imposts, duties, fees or charges of a similar nature imposed or levied by or within the Commonwealth of Australia or out of any other jurisdiction out of which payments are made (*Taxes*). If the Issuer or any agent thereof is required by law or regulation to make such a deduction or withholding for or on account of Taxes, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of the Definitive Note after such deduction or withholding shall be equal to the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Definitive Note is presented for payment:
 - (a) in respect of any such deduction or withholding on account of tax on the overall net income of the bearer of this Definitive Note; or
 - (b) to, or to a third party on behalf of, the payee where such deduction or withholding is required by reason of the bearer of this Definitive Note having some connection with the Commonwealth of Australia other than merely being

the bearer of this Definitive Note, or the mere holding of and payment in respect of the bearer of this Definitive Note; or

- (c) more than 30 days after the Maturity Date, except to the extent that the holder would have been entitled to such additional amount had such demand been made on the last day of such period of 30 days; or
 - (d) to, or to a third party on behalf of, the bearer of this Definitive Note who is an Offshore Associate of the Issuer if, and to the extent that, the *Income Tax Assessment Act 1936* (Cth) of Australia (**Tax Act**) requires withholding tax to be paid in respect of interest, as defined in the Tax Act, payable in respect of this Definitive Note which would otherwise not be payable were the bearer not an Offshore Associate of the Issuer; or
 - (e) to, or to a third party on behalf of, the bearer of this Definitive Note who directly or indirectly has an interest in or right in respect of this Definitive Note where, under the Tax Act, a determination has been made by the Commissioner of Taxation that withholding tax is payable in respect of the payment in circumstances where such bearer, or a person on behalf of such bearer, is party to or participated in a scheme to avoid withholding tax, being a scheme which the Issuer neither was party to nor participated in; or
 - (f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income; or
 - (g) if presented for payment by or on behalf of the bearer of this Definitive Note who would have been able to avoid such withholding or deduction by presenting this Definitive Note to another Paying Agent in a Member State of the European Union; or
 - (h) if the holder of this Definitive Note or any entity which directly or indirectly has an interest in or right in respect of this Definitive Note is a resident of Australia, or a non-resident who is engaged in carrying on a business in Australia at or through a permanent establishment in Australia (the expressions 'resident of Australia', 'non-resident' and 'permanent establishment' having the meanings given to them by the Tax Act) if, and to the extent that, section 126 of the Tax Act (or any equivalent provisions) requires the Issuer to pay income tax in respect of interest payable on this Global Note and the income tax would not be payable were the bearer not such a resident of Australia or non-resident.
4. If the Maturity Date is not a Business Day, payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Business Day (unless that date falls more than 364 days after the Issue Date, in which case

payments shall be made on the immediately preceding Business Day) and neither the bearer or this Definitive Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

Provided that if the Principal Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Principal Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Principal Paying Agent may determine.

5. The payment obligations of the Issuer represented by this Definitive Note constitutes and at all times will constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer other than obligations preferred by mandatory provisions of law applying to the Issuer.
6. This Definitive Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
7. This Definitive Note has the benefit of a guarantee from the State of Tasmania (the **Guarantor**) pursuant to section 15 of the *Tasmanian Public Finance Corporation Act 1985* of the State of Tasmania, details of which are set out in the Information Memorandum and copies of which are available for inspection during normal business hours at the offices of the Principal Paying Agent referred to above.
8. If (i) the Issuer fails to pay an amount payable by it under a Note on the due date for such payment or (ii) for any reason (other than negligence or misconduct on the part of the Principal Paying Agent or the servants or agents of it), the amounts received by the Principal Paying Agent are insufficient to satisfy all claims in respect of all payments then due on the Notes (each, a **Default**), the Principal Paying Agent shall not be obliged to pay any such claims until the Principal Paying Agent has received or has had made available to its order the full amount of the moneys then due and payable in respect of such Notes.
9. If a Default occurs, the Issuer agrees on demand to pay to the Principal Paying Agent, in addition to the amount which should have been paid, interest on the unpaid sum from the due date up to the date of actual payment at a rate of the aggregate of 1 per cent per annum and the Relevant Base Rate.

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10. Instructions for payment must be received at the offices of the Principal Paying Agent together with this Definitive Note as follows:
- (a) if this Definitive Note is denominated in Australian Dollars, NZD or HKD, at least two Business Days prior to the relevant payment date;
 - (b) if this Definitive Note is denominated in United States Dollars, CAD or Sterling, on or prior to the relevant payment date; and

in all other cases, at least one Business Day prior to the relevant payment date.

11. This Note will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefore.

Relevant Date means the date on which such payment first becomes due, except that if such payment has been received after the due date by the Principal Paying Agent, such date on which the Principal Paying Agent has received the aforementioned payment.

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

13. This Definitive Note shall not be validly issued unless manually authenticated by Deutsche Bank AG, Hong Kong Branch, as Issue Agent.

14. This Definitive Note is governed by, and shall be construed in accordance with, English law.

The courts of England and of the State of Tasmania are to have jurisdiction to settle any disputes which may arise out of or in connection with this Definitive Note and accordingly any legal action or proceedings arising out of or in connection with this Definitive Note (**Proceedings**) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the grounds of venue or on the grounds that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the bearer and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer has appointed Law Debenture Corporate Services Limited, of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, to receive, for it and on its behalf, service of process in any Proceedings in the courts of England. Nothing shall affect the right to serve process in any other manner permitted by law.

To the extent that the Issuer is or becomes entitled to any immunity, it does hereby irrevocably agree not to plead or claim any such immunity with respect of its obligations under or arising out of or in connection with this Definitive Note.

15. No person shall have any right to enforce any provision of this Note under the *Contracts (Rights of Third Parties) Act 1999* but this does not affect any right or remedy of any person which exists or is available apart from that Act.

Signed for and on behalf of **TASMANIAN PUBLIC FINANCE CORPORATION** by its duly authorised delegates under the Instrument of Delegation dated 7 September 2007, who hereby state that at the time of executing this Note they have no notice of revocation or suspension of their authority under that Instrument of Delegation, in the presence of:

Witness signature

Print Name

Delegate signature

Print Name

Delegate signature

Print Name

AUTHENTICATED by
DEUTSCHE BANK AG, HONG KONG BRANCH

Without recourse, warranty or liability
and for authentication purposes only

By:

(Authorised Signatory)

By:

(Authorised Signatory)

Deed of Covenant

Date	November 2008
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This Deed of Covenant is made by **Tasmanian Public Finance Corporation** (the **Issuer**) in favour of the Account Holders of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) (each a **Clearing System**).

Recitals	Whereas:
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A	The Issuer has established a Euro-Commercial Paper Programme (the Programme), in connection with which it has signed a Euro-Commercial Paper Dealer Agreement (the Dealer Agreement) dated on or about the date of this Deed with Deutsche Bank AG, London Branch as Arranger and the Dealers named therein (the Dealers), as the same may be amended, supplemented or restated from time to time, under which the Issuer proposes, from time to time, to issue notes denominated in U.S. Dollars or other Alternative Currencies, as therein defined (the Notes).
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B	Pursuant to the terms and conditions and operating procedures or management regulations of a Clearing System (the Operating Regulations) and pursuant to certain agreements entered into between the relevant Clearing Systems and the persons entitled to rights in respect of such Notes in global form (Global Notes), entries relating to such Global Notes (hereinafter referred to as Entries) will be made in securities accounts maintained by the relevant Clearing System entitling the holders of such accounts to receive certain payments from the relevant Clearing System upon repayment of such Notes. Each Global Note will be delivered to a common depository for the relevant Clearing System.
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C	Any Account Holder with a relevant Clearing System which has an interest in a Global Note credited to its securities account from time to time will, subject to and in accordance with the Operating Regulations of the relevant Clearing System, be entitled to transfer that interest and to receive from the operator of the Clearing System payments made by the Issuer to the bearer of the Global Note calculated by reference to that interest except where a Clearing System is acting in its capacity as an account holder of another Clearing System.
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D	In certain circumstances, specified in each Global Note, Global Notes will become void. In such circumstances the Issuer will, subject to and in accordance with the terms of this Deed, pay to each of the Account Holders with the relevant Clearing System which, at the time such Note becomes void (the <i>Relevant Time</i>), have Entries credited to their securities accounts with the relevant Clearing System, in respect of each such Entry, the amount which would be due to such person in respect of such Entry were such Note to have been repaid in full (such amount hereinafter referred to as the <i>Principal Amount</i> of an Entry).
E	The Global Notes are, in certain circumstances, exchangeable for other Notes of smaller denominations (in definitive form) as set out therein which will replace such Global Notes.

It is agreed as follows.

1. Definitions and Interpretation

1.1 Definitions

Unless the context requires otherwise or the term is otherwise defined in this Deed, definitions in the Dealer Agreement apply to this Deed however:

Account Holder means any account holder with a Clearing System which has an interest in a Global Note credited to its securities account.

Entry means, in respect of any Account Holder, any entry which is made in the securities account of the Account Holder with a Clearing System.

1.2 Interpretation

Headings shall not affect the interpretation of this Deed.

1.3 Clearing System's records conclusive

The records of Clearstream, Luxembourg or Euroclear shall, in the absence of manifest error, be conclusive evidence of the identity of the Account Holders and the number of Entries credited to the securities account of each Account Holder at the Relevant Time. For the purposes of this clause a statement issued by the relevant Clearing System stating:

- (a) the name of the Account Holder to which it is issued; and
- (b) the principal amount credited to the securities account of such Account Holder as at the opening of business on the first day following the Relevant Time on which the relevant Clearing System is open for business,

shall, in the absence of manifest error, be conclusive evidence of the records of the relevant Clearing System, at the Relevant Time.

In the event of a dispute, in the absence of manifest error, the determination of the Relevant Time by the relevant Clearing System shall be final and conclusive for all purposes in connection with the Account Holders with securities accounts with that Clearing System.

2. Direct Rights

- (a) If any Global Note becomes void in accordance with its terms, each Account Holder shall have against the Issuer all rights (***Direct Rights***) which such Account Holder would have had in respect of the Notes if, immediately before the Relevant Time, it had been the holder of Notes in definitive form, duly executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Account Holder's Entries including (without limitation) the right to receive all payments due at any time in respect of such Notes in definitive form as if such Notes in definitive form had been duly presented and (in the case of final redemption of Notes in definitive form) surrendered on the due date in accordance with the terms of such Notes.
- (b) No further action shall be required on the part of the Issuer or any other person for the Account Holders to enjoy the Direct Rights provided that nothing herein shall entitle any Account Holder to receive any payment in respect of the relevant Note which has already been made.
- (c) There shall be treated as incorporated into this Deed and with respect to the Direct Rights and any sums payable in relation thereto, all those provisions of the Notes represented by the relevant Global Note (immediately before it became void) including (without limitation) those relating to the amount of any sum payable by the Issuer or the time and manner in which any such amount should be paid (including, without limitation, any grossing-up provision in any Global Note) but as if references in such provisions to:
 - (i) any Note or to any principal of, or other amount payable on, any Note were references to the Direct Rights or to sums payable with respect to the Direct Rights; and
 - (ii) any holder of any Note were references to the applicable Account Holder.

3. Deposit of Deed

This Deed shall be deposited with and held by the Principal Paying Agent for so long as the Programme remains in effect and thereafter until the date on which all the obligations of the Issuer under or in respect of any Notes (including, without limitation, its obligations under this Deed) have been discharged in full. The Issuer hereby acknowledges the right of every Account Holder to the production of this Deed.

4. Covenants

The Issuer hereby warrants, represents and covenants in favour of each Account Holder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Deed, and that this Deed constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms.

5. Benefit of Deed

- (a) This Deed shall take effect as a deed poll for the benefit severally of the Account Holders from time to time.
- (b) This Deed shall enure to the benefit of each Account Holder and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed against the Issuer.
- (c) Nothing done or omitted to be done by an Account Holder under or in relation to this Deed will affect the rights of any other Account Holder.
- (d) The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Account Holder shall be entitled to assign all or any of its rights and benefits hereunder.

6. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

7. Notices

- (a) All notices and other communications hereunder to the Issuer shall be made in writing (by letter or facsimile) and shall be sent to the Issuer at:
- Address: 144 Murray Street, Hobart, Tasmania 7000, Australia
- Facsimile: (61) 3 6223 8541
- Attention: Chief Executive Officer
- or to such other address or facsimile number or for the attention of such other person or department as the Issuer has notified to the Account Holders.
- (b) Any communication sent in accordance with clause 7(a) shall be effective upon receipt by the Issuer provided that any such notice or other communication which would otherwise take effect on either a day which is not a Business Day or after 4:00pm on a day which is a Business Day shall not take effect until 10:00am on the immediately succeeding Business Day in the place of the Issuer.

8. The Contracts (Rights of Third Parties) Act 1999

Except where a person is an Account Holder, no rights are conferred on any person under the *Contracts (Rights of Third Parties) Act 1999* to enforce any term of this Deed, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

9. Stamp Duties

The Issuer shall promptly, and in any event before any penalty becomes payable, pay any stamp, documentary, registration or similar taxes and duties payable in Australia, Hong Kong and the United Kingdom or any other jurisdiction in which an Account Holder may reasonably commence proceedings against the Issuer in connection with the entry into, registration, performance, enforcement or admissibility in evidence of this Deed and shall indemnify the Account Holders against any liability with respect to or resulting from any delay in paying or omission to pay any such tax.

10. Governing Law and Jurisdiction

This Deed shall be governed by and construed in accordance with the laws of England.

- (a) The Issuer hereby irrevocably agrees that the courts of England and the courts of the State of Tasmania are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed (*Proceedings*) may

be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the grounds of venue or on the grounds that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Account Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (b) Before issuing any Note under the Programme Agreements, the Issuer shall irrevocably (but subject to clause 10(c)) appoint Law Debenture Corporate Services Limited, of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, to receive, for it and on its behalf, service of process in any Proceedings in the courts of England. Nothing shall affect the right to serve process in any other manner permitted by law.
- (c) If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer must immediately appoint another agent.
- (d) To the extent that the Issuer is or becomes entitled to any immunity, it does hereby irrevocably agree not to plead or claim any such immunity with respect of its obligations under or arising out of or in connection with this Deed.

IN WITNESS whereof this Deed of Covenant has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

**Signed, Sealed and Delivered for
Tasmanian Public Finance Corporation** by
its duly authorised delegates under the
Instrument of Delegation dated 7 September
2007, who hereby state that at the time of
executing this Deed they have no notice of
revocation or suspension of their authority
under that Instrument of Delegation, in the
presence of:

Witness Signature

Print Name

Delegate Signature

Print Name

Delegate Signature

Print Name

Selling Restrictions

Under the Dealer Agreement each Dealer and any further Dealer appointed under the Programme represents, warrants and agrees that it will observe all applicable laws and regulations in each jurisdiction in which it may offer, sell or deliver Notes; and it will not directly or indirectly offer, sell, resell, reoffer or deliver Notes or distribute any offering material or any circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with all applicable laws and regulations.

1. United States of America

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

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

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

2. United Kingdom

Each Dealer and any further Dealer appointed under the Programme represents, warrants and agrees that:

- (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as a principal or agent) for the purposes of its business and it has not offered or sold and will not offer or sell any Notes, other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their business where the issue of Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

3. Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer and any further Dealer appointed under the Programme represents, warrants and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) at any time to any legal entity which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) a net annual turnover of more than EUR50,000,000, as shown in its last annual or consolidated accounts;

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- (c) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Issuer for any such offer; or
 - (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer and any further Dealer appointed under the Programme to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

4. Australia

No prospectus or other disclosure document in relation to the Programme or the Notes has been lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange Limited. Each Dealer and any further Dealer appointed under the Programme represents, warrants and agrees that it:

- (a) will not make any offer or invitation in Australia or received in Australia in relation to the issue, sale or purchase of any Notes unless the offeree is required to pay at least AUD 500,000 for the Notes or its foreign currency equivalent (in either case disregarding moneys, if any, lent by the Issuer or other person offering the Notes or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act 2001 of Australia (the *Corporations Act*))), or it is otherwise an offer or invitation for which by virtue of section 708 of the Corporations Act no disclosure is required to be made under Part 6D.2 of the Corporations Act and is not made to a retail client (as defined in section 761G of the Corporations Act); and
- (b) has not circulated or issued and will not circulate or issue a disclosure document relating to the Notes in Australia or received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.

Each Dealer represents, warrants and agrees and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it will not sell any

ETCDs in circumstances where employees of the Dealer aware of, or involved in, the sale know or have reasonable grounds to suspect, that the ETCD or an interest in or right in respect of the ETCD, was being or would later be, acquired either directly or indirectly by an Offshore Associate acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the ETCDs or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia.

"*Offshore Associate*" means an associate (as defined in section 128F of the Tax Act) of the Issuer that is either a non resident of the Commonwealth of Australia which does not acquire the ETCDs in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the ETCDs in carrying on business at or through a permanent establishment outside of Australia.

5. Singapore

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

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

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

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

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

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

6. Hong Kong

Each Dealer and any further Dealer appointed under the Programme represents, warrants and agrees that:

- (i) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Notes other than:
 - (A) to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent); or
 - (B) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong (the **CO**);
 - (C) to 'professional investors' within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**) and any rules made thereunder; or
 - (D) in other circumstances which do not result in the document being a "prospectus" within the meaning of the CO; and
- (ii) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes in or from Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if it is permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors'

within the meaning of the SFO (Cap. 571) of Hong Kong and any rules made thereunder,

or in any other manner issue or make an invitation to members of the public to do any of the acts referred to in sub-paragraphs (A) or (B).

7. Amendments to Sales Restrictions

If as the result of a change in or the making of any law, treaty or official directive or request (whether or not having the force of law, but if not having the force of law compliance with which is in accordance with the practice of responsible financial institutions in the country concerned) the Issuer, the Issue Agent and Principal Paying Agent or the Arranger reasonably determine that the foregoing sales restrictions require amendment or variation to ensure compliance with such law, treaty or official directive or request, the Arranger may by 30 days' notice to each Dealer promulgate new sales restrictions (as agreed between the Issuer and the Arranger) which shall take effect as if set out in the Schedule from the date specified in such notice.

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

Programme Participants

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Guarantor

The State of Tasmania

Arranger

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Attention: Trust and Securities Services