



## **Northern Territory Treasury Corporation**

*(established in the Northern Territory of Australia pursuant to  
the Northern Territory Treasury Corporation Act 1994)*

**U.S.\$500,000,000**

**Guaranteed Euro Medium Term Note Programme**  
**Due from one week to 30 years from the date of original issue**  
**Guaranteed by**  
**The Treasurer on behalf of**  
**the Northern Territory of Australia**

Under the Guaranteed Euro Medium Term Note Programme described in this Offering Circular (the "Programme"), Northern Territory Treasury Corporation (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Guaranteed Euro Medium Term Notes (the "Notes") guaranteed by the Treasurer on behalf of the Northern Territory of Australia (the "Guarantor"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$500,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 (the "UK Listing Authority") for Notes issued within 12 months of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. Admission to the Official List of the UK Listing Authority together with admission to trading on the London Stock Exchange's market for listed securities constitute official listing on a stock exchange. However, unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (as defined on page 6) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities (or any other stock exchange).

Copies of this document, which comprises listing particulars approved by the UK Listing Authority in relation to Notes to be issued during the period of 12 months from the date of this Offering Circular, have been delivered for registration to the Registrar of Companies in England and Wales as required by Section 149 of the Financial Services Act 1986.

Each Series (as defined on page 6) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "Temporary Global Note") or a permanent global note in bearer form (each a "Permanent Global Note"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Notes and Certificates may be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

**Arranger**  
**ABN AMRO**

**Dealer**  
**ABN AMRO**

This Offering Circular comprises listing particulars given in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 by the UK Listing Authority, for the purpose of giving information with regard to the Issuer and the Guarantor and the Notes. The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers or the Arranger (as defined in “Summary of the Programme”). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see “Subscription and Sale”.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

**In connection with any Tranche (as defined in “Summary of the Programme”), one of the Dealers will act as a stabilising agent (the “Stabilising Agent”). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement. References in the next paragraph to “this issue” are to each Tranche in relation to which a Stabilisation Agent is appointed.**

**In connection with this issue, the Stabilising Agent may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time and will be carried out in accordance with applicable laws and regulations.**

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “\$”, “A\$” or “Australian dollars” are to the currency of the Commonwealth of Australia, to “U.S.\$” or “U.S. dollars” or “United States dollars” are to the currency of the United States of America, to “£” or “Sterling” are to the currency of the United Kingdom, to “¥” or “Yen” are to the currency of Japan, to “€” or “euro” are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended from time to time, to “CHF” or “Swiss francs” are to the currency of Switzerland, and to “Canadian dollars” are to the currency of Canada.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited annual accounts, and any interim accounts (whether audited or unaudited) published subsequently to such annual accounts, of the Issuer and the Guarantor from time to time, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents; provided, however, that no such document or modifying or superseding statement shall form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986.

## **SUPPLEMENTARY LISTING PARTICULARS**

If at any time the Issuer shall be required to prepare supplementary listing particulars pursuant to Section 147 of the Financial Services Act 1986, the Issuer will prepare and make available an appropriate amendment or supplement to this Offering Circular or a further offering circular which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities, shall constitute supplementary listing particulars as required by the UK Listing Authority and Section 147 of the Financial Services Act 1986.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Offering Circular whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor, and the rights attaching to the Notes the Issuer shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## TABLE OF CONTENTS

	Page
<b>SUMMARY OF THE PROGRAMME.....</b>	<b>6</b>
<b>TERMS AND CONDITIONS OF THE NOTES.....</b>	<b>11</b>
<b>USE OF PROCEEDS.....</b>	<b>38</b>
<b>NORTHERN TERRITORY TREASURY CORPORATION.....</b>	<b>39</b>
<b>OUTSTANDING DEBT AND CAPITALISATION OF NORTHERN TERRITORY TREASURY CORPORATION.....</b>	<b>44</b>
<b>THE NORTHERN TERRITORY OF AUSTRALIA.....</b>	<b>46</b>
<b>OUTSTANDING DEBT OF THE NORTHERN TERRITORY OF AUSTRALIA .....</b>	<b>51</b>
<b>GUARANTEE .....</b>	<b>54</b>
<b>TAXATION.....</b>	<b>55</b>
<b>SUBSCRIPTION AND SALE .....</b>	<b>58</b>
<b>FORM OF PRICING SUPPLEMENT .....</b>	<b>61</b>
<b>GENERAL INFORMATION .....</b>	<b>72</b>

## SUMMARY OF THE PROGRAMME

*The following summary is qualified in its entirety by the remainder of this Offering Circular.*

<b>Issuer:</b>	Northern Territory Treasury Corporation
<b>Guarantor:</b>	<p>The Treasurer on behalf of the Northern Territory of Australia pursuant to Section 20 of the Northern Territory Treasury Corporation Act 1994 (NT) (“NTTC Act”).</p> <p><i>Money payable by the Treasurer under Section 20 is a charge on and shall be paid out of the public moneys of the Northern Territory and the allocation for that purpose is established or increased to the extent necessary under Section 21 of the NTTC Act.</i></p>
<b>Description:</b>	Guaranteed Euro Medium Term Note Programme
<b>Size:</b>	Up to U.S.\$500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Arranger:</b>	ABN AMRO Bank N.V.
<b>Dealers:</b>	<p>ABN AMRO Bank N.V.</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Fiscal Agent:</b>	The Chase Manhattan Bank
<b>Method of Issue:</b>	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a “Pricing Supplement”).</p>
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be

issued, the issue price of which will be payable in two or more instalments.

**Form of Notes:**

The Notes may be issued in bearer form only (“Bearer Notes”), in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) or in registered form only (“Registered Notes”). Each Tranche of Bearer Notes will be represented on issue by a Temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “Summary of the Programme - Selling Restrictions”), otherwise such Tranche will be represented by a Permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.

**Clearing Systems:**

Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

**Initial Delivery of Notes:**

On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8 November 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Corporation on Stock Exchanges and Securities Trading of 2 December 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated

issue the lead manager (the “Swiss Dealer”), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland or a securities dealer duly licensed by the Swiss Federal Banking Commission as per the Federal Law on Stock Exchanges and Securities Trading of 24 March 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

**Maturities:** Subject to compliance with all relevant laws, regulations and directives, any maturity between one week and 30 years.

**Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom will have a minimum denomination of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their date of issue and are to be listed on the Official List and admitted to trading on the London Stock Exchange’s market for listed securities.

**Fixed Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

**Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

**Zero Coupon Notes:** Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

**Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.

**Index Linked Notes:** Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes

will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

**Interest Periods and Interest Rates:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

**Redemption:**

The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom must have a minimum redemption amount of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their date of issue and are to be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities.

**Redemption by Instalments:**

The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

**Other Notes:**

Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the Issuer, and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

**Optional Redemption:**

The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

**Status of Notes:**

The Notes and the guarantee in respect of them will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively, all as described in "Terms and Conditions of the Notes - Status".

**Negative Pledge:**

See "Terms and Conditions of the Notes - Negative Pledge".

**Cross Default:**

See "Terms and Conditions of the Notes - Events of Default".

**Early Redemption:**

Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes - Redemption, Purchase and Options".

**Withholding Tax:**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the

Commonwealth of Australia, subject to customary exceptions, all as described in “Terms and Conditions of the Notes - Taxation”.

**Governing Law:**

English.

**Listing:**

Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the London Stock Exchange or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.

**Selling Restrictions:**

United States, United Kingdom, Australia, Japan. See “Subscription and Sale”.

The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 14 March 2001 between the Issuer, The Chase Manhattan Bank as fiscal agent and the other agents named in it and with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 14 March 2001 executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

### **1 Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) in each case in the Specified Denomination(s) shown hereon.

*All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

- (a) **Exchange of Exchangeable Bearer Notes:** Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### 3 Guarantee and Status

- (a) **Guarantee:** All the obligations incurred or assumed by the Issuer under the Notes are guaranteed by the Guarantor pursuant to Section 20 of the Northern Territory Treasury Corporation Act 1994 (NT) (“NTTC Act”).

*Money payable by the Guarantor under Section 20 of the NTTC Act is a charge on and shall be paid out of the public moneys of the Northern Territory and the allocation for that purpose is established or increased to the extent necessary under section 21 of NTTC Act.*

- (b) **Status of Notes and Guarantee:** The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

#### 4 Negative Pledge

- (a) **Restriction:** So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement) the Issuer shall not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (“**Security**”) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Notes, Receipts and Coupons (A) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (B) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.
- (b) **Relevant Debt:** For the purposes of this Condition, “**Relevant Debt**” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities that are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over-the-counter or other securities market and which either by their terms are payable, or optionally repayable, in or by reference to any currency other than Australian dollars or an amount exceeding 50 per cent. of their aggregate principal amount is directly issued or initially offered, sold or distributed outside the Commonwealth of Australia.

#### 5 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B)

the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
  - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph

(x)(II) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event

interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

**(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:**

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the countries of such currency.

**(h) Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

**(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all

other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a “**TARGET Business Day**”) and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres

(For the purposes of this definition, Sydney will be taken to be the principal financial centre for Australian dollars.)

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/365**” or “**Actual/Actual - ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month))

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) and
- (vi) if “**Actual/Actual-ISMA**” is specified hereon,
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period

if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon

**“ISDA Definitions”** means the 2000 ISDA Definitions as supplemented by the Annex to the 2000 ISDA Definitions and the NCU Supplement to the 2000 ISDA Definitions, in each case, as published by the International Swaps and Derivatives Association, Inc., as supplemented or amended from time to time unless otherwise specified hereon

**“Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (**“Reuters”**) and Bridge/Telerate (**“Telerate”**)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon

**“Reference Banks”** means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

**“Relevant Financial Centre”** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London

**“Relevant Rate”** means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

**“Relevant Time”** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels Time

**“Representative Amount”** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii)

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

- (k) **Calculation Agent and Reference Banks:** The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6 Redemption, Purchase and Options

- (a) **Redemption by Instalments and Final Redemption:**
- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 6(d) or 6(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 6(d) or 6(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part on any Interest Payment Date or, if so specified hereon, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of

the Notes (or the Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by the Chairman or Chief Executive of the Issuer (or the Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

- (d) **Redemption at the Option of the Issuer and Exercise of Issuer's Options:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, or exercise any Issuer's option (as may be described hereon) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.
- (g) **Purchases:** The Issuer may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## 7 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(g)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(g)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in Australian Dollars:** In the case of Notes, payments in respect of which are to be made in Australian dollars, will be made by:
- (i) transfer to an Australian dollar account maintained by the payee with a bank outside the Commonwealth of Australia or by a cheque mailed to an address, or delivered, outside the Commonwealth of Australia; or
- (ii) in the case of Notes held by or on behalf of, Euroclear or Clearstream, Luxembourg, transferred to such account maintained outside the Commonwealth of Australia by Euroclear or Clearstream, Luxembourg as Euroclear or Clearstream, Luxembourg may from time to time respectively specify.

- (d) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (e) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (f) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities (including London) so long as the Notes are listed on the official list of the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 and admitted to trading on the London Stock Exchange's market for listed securities and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

Further, the Issuer undertakes that, if the conclusions of the ECOFIN Council meeting of 26-27 November 2000 are implemented, it will ensure that it maintains a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing such conclusions.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (d) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (g) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner

mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (h) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (i) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Additional Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

(For the purposes of this definition, Sydney will be taken to be the principal financial centre for Australian dollars)

## 8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Commonwealth of Australia or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon or in the case of payments by the Guarantor, by reason of his having some connection with the Commonwealth of Australia other than the mere holding of the Note, Receipt or Coupon or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day or
- (d) **Associates:** issued to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his being an associate of the Issuer or Guarantor, as the case may be, for the purposes of Section 128F(6) of the Income Tax Assessment Act 1936 of the Commonwealth of Australia or
- (e) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or
- (f) **Payment by another Paying Agent:** presented (or in respect of which the Certificate representing it is presented) for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note (or the Certificate representing it), Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i)

“principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## 9 Prescription

Claims against the Issuer and the Guarantor for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (i) **Non-Payment:** default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes or
- (ii) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder or
- (iii) **Cross-Default:** (A) any other present or future indebtedness of the Issuer or the Guarantor for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds A\$10,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Australian dollar as quoted by any leading bank on the day on which this paragraph operates) or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or the Guarantor and is not discharged or stayed within 90 days or
- (v) **Ceasing to be Statutory Body:** the Issuer ceases to be a body corporate constituted by the NTTC Act (or any statutory modification or re-enactment thereof) unless the obligations of the Issuer under the Notes and the Coupons of all Series are forthwith assumed by the Northern Territory of Australia or by a successor body corporate

constituted by public Act of the Northern Territory of Australia or the Commonwealth of Australia and the payment obligations of the Issuer under the Notes and Receipts and Coupons relating to them, of all Series remains guaranteed by the Guarantor on terms and conditions which are the same or have substantially the same financial effect as the Guarantee referred to in Condition 4.

- (vi) **Guarantee:** the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect or for any reason the performance of the Guarantee by the Guarantor becomes unlawful and the Guarantee is not forthwith replaced by another guarantee by the Guarantor or by a guarantee by the Government of the Commonwealth of Australia on terms and conditions which are the same or have substantially the same financial effect as the Guarantee referred to in Condition 4.

## 11 Meeting of Noteholders and Modifications

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 % in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (ix) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 %, or at any adjourned meeting not less than 25 %, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.*

- (b) **Modification of Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) **Substitution:**

The Issuer may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts, the Coupons and the Talons any successor statutory body, constituted by public Act of the Northern Territory of Australia or the Commonwealth of Australia, which by the provisions of such Act assumes all of the obligations of the Issuer under the Notes or by the Guarantor by execution of a deed by which it assumes all of such obligations (the “**Substitute**”) provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “**Deed Poll**”), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the Guarantee remains in full force and effect and the Noteholders and Coupon holders remain entitled to the full benefit of the Guarantee in accordance with its terms, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of the Guarantor have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (iii) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days’ prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

## 12 **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

### **13 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such notes to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

### **14 Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in the United Kingdom (which is expected to be the *Financial Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

### **15 Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer’s and the Guarantor’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

### **16 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

## 17 **Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect 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).
- (c) **Service of Process:** The Issuer irrevocably appoints Mallesons Stephen Jaques of 2<sup>nd</sup> Floor Aldermay House 15 Queen Street, London EC4N 1TX, as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Initial Issue of Notes**

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the “Common Depositary”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **Exchange**

#### **Temporary Global Notes**

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme-Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

#### **Permanent Global Notes**

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes or, in the case of 2.3 below, Registered Notes:

- (i) by the Issuer giving notice to the Noteholders, the Fiscal Agent of its intention to effect such exchange, unless principal in respect of any Notes is not paid when due
- (ii) if the relevant Pricing Supplement provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange
- (iii) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes and
- (iv) otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an “Alternative Clearing System”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

### **Permanent Global Certificates**

If the Pricing Supplement states that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or
- (ii) if principal in respect of any Notes is not paid when due or
- (iii) with the consent of the Issuer

provided that, in the case of the first transfer of part of a holding pursuant to 3.1 or 3.2 above, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer.

### **Partial Exchange of Permanent Global Notes**

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

### **Delivery of Notes**

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being

exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Circular, “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **Exchange Date**

“Exchange Date” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

### **Amendment to Conditions**

The Temporary Global Notes Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

### **Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

### **Prescription**

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

### **Meetings**

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

## **Cancellation**

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

## **Purchase**

Notes represented by a Permanent Global Note may only be purchased by the Issuer or the Guarantor if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

## **Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented to a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

## **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

## **Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 14 March 2001 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

## **Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

## **Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

## **USE OF PROCEEDS**

The net proceeds of each issue of the Notes will be used by the Issuer primarily to extend financial accommodation to the Northern Territory Government, to statutory corporations and to local government councils of the Northern Territory in accordance with the NTTC Act.

## NORTHERN TERRITORY TREASURY CORPORATION

### Establishment

#### Date, purpose, basis of establishment and brief history

The Northern Territory Treasury Corporation ("NTTC") was established on 1<sup>st</sup> July, 1994 pursuant to the Northern Territory Treasury Corporation Act 1994 (Northern Territory) ("NTTC Act") as the Northern Territory of Australia's ("Northern Territory") central financing authority and capital raising authority, principally to borrow and lend money on behalf of the Northern Territory and statutory corporations and local governments of the Northern Territory. NTTC is also empowered to accept deposits, invest and manage funds and, with the consent of the Treasurer of the Northern Territory ("Treasurer"), undertake such other activities as the Treasurer directs.

The primary functions of NTTC as set out in the NTTC Act are:-

- a) to act as a financial institution for the benefit of, and the provision of financial resources and services to, the Northern Territory, statutory corporations, and local government councils of the Northern Territory (and other persons approved by the Treasurer);
- b) to enhance the financial position of NTTC, the Northern Territory, statutory corporations, and local government councils of the Northern Territory (and other persons approved by the Treasurer); and
- c) to enter into and perform financial and other arrangements that, in the opinion of NTTC have as their objective:-
  - (i) the advancement of the financial interests of the Northern Territory;
  - (ii) the development of the Northern Territory or part of the Northern Territory; and
  - (iii) the benefit of persons or a class of persons resident in, or likely to have an association with, the Northern Territory.

To date, NTTC principal activities have been to raise funds by the issue of Australian dollar denominated bonds and commercial paper in the Australian domestic market, by the private placement of Yen denominated loans and the public offering of Euro Medium Term Notes, and to lend the proceeds of such loans to the Northern Territory and various statutory corporations and local governments of the Northern Territory.

All obligations incurred or assumed by NTTC under the NTTC Act are guaranteed by the Treasurer on behalf of the Northern Territory under section 20 of the NTTC Act ("Guarantee"). All moneys payable by the Treasurer under the Guarantee is a charge on, and shall be paid out of, the public moneys of the Northern Territory.

Whilst NTTC has its own management and conducts its operation independently of the Northern Territory's Department of Treasury, NTTC is an integral part of the administration of the finances of the Northern Territory and an agency whose activities reflect the policies of the Northern Territory.

In 1997 Moodys Investors Service issued the Northern Territory Treasury Corporation with an Aa2 long term rating. The rating has remained unchanged since and the rating outlook is Stable.

NTTC's principal office is located at 38 Cavenagh Street, Darwin, Northern Territory 0801, Australia.

## **Regulation of borrowings**

The establishment and constitution of NTTC results from the framework of regulation imposed on borrowings by the Commonwealth, the States of Australia ("States") and the Australian Capital Territory and the Northern Territory ("Territories") under the Financial Agreement of 1927 between the Commonwealth and the States (which the Northern Territory became party to in 1994 under the Financial Agreement between the Commonwealth, States and Territories (Approval) Act 1994 (NT) ("Financial Agreement").

The Financial Agreement brought into being the Australian Loan Council ("Loan Council") which regulates aspects of the borrowing activities of the Commonwealth, the States and the Territories. The Loan Council comprised the Commonwealth Prime Minister or another Minister (in practice the Commonwealth Treasurer) and either the Premier or another Minister of each of the States and the Chief Minister of each of the Territories.

The Financial Agreement provided that, subject to certain limited exceptions, State Governments could not borrow directly. Instead a mechanism by which the Commonwealth acted as the central borrower for all States was introduced with the Commonwealth allocating funds to each State. Similar arrangements existed between the Commonwealth and the Northern Territory.

For the period commencing the year ended 30<sup>th</sup> June, 1987 to the year ended 30<sup>th</sup> June, 1990 borrowings by the Commonwealth were restricted to refinancing maturing debts which could not be retired from balances available either in the National Debt Sinking Fund ("NDSF"), or in respect of the borrowings on behalf of the Northern Territory Debt Sinking Fund.

At the Loan Council meeting held in June 1990, it was resolved that, commencing the year ended 30<sup>th</sup> June 1991, the States and Territories would make additional annual payments to either the NDSF or the relevant State or Territory sinking fund and thereby provide for the progressive redemption of all maturing borrowings raised on behalf of the State and Territories by the Commonwealth under the Financial Agreements and related arrangements. The Commonwealth agreed to increase the borrowing limits of each State and Territory by the amount necessary to effect repayment of borrowings by the Commonwealth on its behalf. To reflect these new arrangements the Commonwealth has passed legislation to replace the NDSF with a Debt Retirement Reserve Trust Account.

The Commonwealth provides compensation to the States and the Territories under the Financial Agreement in recognition of:-

- (a) higher interest costs being incurred due to the States and Territories borrowing at higher rates than the rates available to the Commonwealth; and
- (b) lower Commonwealth contributions to the NDSF and the State and Territory sinking funds.

Accordingly, borrowings raised by the individual States and the Territories in their own right are progressively replacing maturing Commonwealth borrowings raised on their behalf. It is expected that the debt will be fully taken over by the States and Territories by 2005-06. It is intended that the Northern Territory's borrowings will provide for all the borrowing requirements of the Northern Territory's public sector.

The increased use of sophisticated funding techniques meant that by the end of 1992 the previous Loan Council arrangements (which were based on global borrowing limits for each jurisdiction) had become ineffective because some of the funding techniques used were outside the ambit of the Loan Council approval process.

In 1993-94 a new system called the Loan Council Allocations ("LCAs") was introduced. This new system was designed to enhance the role of financial market scrutiny as a discipline on the borrowings by the public sector,

by making individual States (now managing their own borrowings) more accountable to the markets for their actions.

Under these Loan Council arrangements, each jurisdiction nominates an LCA comprising:

- the estimated general government deficit/surplus (based on its mid-year report projections);
- its public trading enterprise (PTE) sector net financing requirement (also based on mid-year report projections); and
- memorandum items (such as transactions that, while not formally borrowings, have many of the characteristics of borrowings).

These nominations are considered by Loan Council having regard to each jurisdiction's fiscal position and reasonable infrastructure requirements, as well as to the macroeconomic implications of the aggregate figure. LCAs are on a headline rather than an underlying basis as they seek to measure a government's call on financial markets.

Loan Council nominations for all jurisdictions are prepared on a no policy change basis and thus provide an indication of the public sectors likely call on financial markets. The actual call may vary from the nomination primarily because of changes in economic parameters and policy measures. Updated information will be provided to financial markets through the publication by each jurisdiction of its budget time LCA and a mid-year update of its expected LCA outcome.

A tolerance limit of 2 per cent of non-financial public sector revenue applies between the LCA approved by the Loan Council and the budget time LCA, and again between the budget time LCA and the LCA outcome. Tolerance limits recognise that LCAs are nominated at an early stage of budget processes and the estimates are likely to change as a result of policy and parameters before and after budgets are brought down. If a jurisdiction is likely to exceed the upper or lower bounds of the tolerance limit around its LCA estimate, it is obliged to provide an explanation to the Loan Council and to make the explanation public.

In making their LCA nominations to the Loan Council, the Commonwealth, States and Territories also provide information on government contingent exposures under infrastructure projects with private sector involvement. These exposures, which are measured as the government's contractual liabilities in the event of termination of the project, are not included as a component of the LCA as they are unlikely to be realised and are thus materially different from the actual borrowings undertaken to finance the public sector deficit. Government outlays under these projects, such as equity contributions and ongoing commercial payments to the private sector, continue to be included in the annual total public sector deficit, and hence the LCA.

The Loan Council process is supported by uniform, comprehensive reporting of public sector finances to assist Parliaments, financial markets and the public to make informed judgements about each government's financial performance.

Quarterly reporting was an initial requirement of the Loan Council Allocation arrangements. However, in 1997 a new Uniform Presentation Framework ("UPF") was agreed upon, which included the integration of Loan Council reporting arrangements into the UPF. Under the new UPF each jurisdiction was required to publish a mid-year report, which in conjunction with the budget and outcomes reports, replaced the quarterly Loan Council reporting. The mid-year report includes a revised estimate of the full year LCA estimate compared with the budget time LCA. In addition to these requirements:

- Jurisdictions nominate a LCA for the forthcoming financial year for Loan Council consideration in February/March;

- Agreed LCAs are released publicly following the Loan Council meeting along with an updated estimate of the expected LCA outcome for the current financial year; and
- The Loan Council Secretariat also publishes a compilation of full year LCA outcomes.

The Northern Territory currently reports its LCA on a cash basis, however, this is expected to move to an accruals basis over the next few years.

The Loan Council, which now comprises the Commonwealth Treasurer (chairman) and State and Territory Treasurers, meets at the same time as the new, annual Ministerial Council.

## **Organisation of NTTC**

### **Members and management**

The NTTC Act provides for NTTC to be constituted by the Under Treasurer who may, with the approval of the Treasurer, establish an advisory board ("Advisory Board") which is constituted by the Under Treasurer and not more than 5 other persons appointed by the Treasurer. The Advisory Board exercises such powers and performs such functions as determined by the Treasurer from time to time.

The Under Treasurer is Mr Kenneth B. Clarke and the Advisory Board of NTTC currently comprises:-

Mr Kenneth B. Clarke	(Chairman)
Mr Anthony S. Cole	(Member)
Mr Richard V. Ryan	(Member)
Mrs Jennifer Prince	(Member)
Mr John R.P. Montague	(Member/General Manager)
Mr Andrew D. Smith	(Member)

The business address for each of the members of the Advisory Board is 38 Cavenagh Street, Darwin, Northern Territory 0801, Australia.

Mr Clarke was appointed Under Treasurer in November 1996. He has held several senior positions in intergovernmental financial relations and budget management.

Mr Cole is the Principal National Practice Leader with William M. Mercer. He was formerly Secretary of the Commonwealth Treasury, Deputy Secretary to the Department of the Prime Minister and alternative Executive Director to the World Bank. Mr Cole was appointed to the Advisory Board by the Treasurer with effect from 28<sup>th</sup> October 1994.

Mr Ryan is the CEO of the Henry Walker Eltin group. He is a fellow of the Institute of Chartered Accountants, and Companion of the Institution of Engineers and the Institute of Management (UK). Mr Ryan is Deputy Chancellor of the Northern Territory University and Chair and Treasurer of the Menzies School of Health Research. Mr Ryan was appointed to the Advisory Board by the Treasurer with effect from 28<sup>th</sup> October 1994.

Mrs Prince has been Deputy Under Treasurer since April 1997. Mrs Prince was appointed to the Advisory Board by the Treasurer with effect from 15<sup>th</sup> February 2000.

Mr Montague is General Manager of NTTC. He was formerly with Westpac Banking Corporation for 11 years. Mr Montague was appointed to the Advisory Board by the Treasurer with effect from 16<sup>th</sup> January 1997.

Mr Smith is Commissioner of Taxes and Assistant Under Treasurer. He was appointed to the Advisory Board by the Treasurer on 8<sup>th</sup> December 2000.

No member of the Advisory Board has significant interests or holds significant positions other than those stated above.

**OUTSTANDING DEBT AND CAPITALISATION OF NORTHERN TERRITORY  
TREASURY CORPORATION**

**OUTSTANDING DEBT**

The following table sets out the debt of NTTC outstanding at 30 June, 2000:-

	As at 30 June, 2000 A\$000's <sup>(1)</sup>
<b>Current Borrowings</b> <sup>(2)</sup>	
State debt to the Commonwealth	49,249
Public loans	68,348
Private Placements	0
Floating Rate Notes	25,000
Credit Foncier loans	4,641
Promissory Notes	91,000
	238,238
Offshore	0
<b>Total current borrowings</b>	238,238
<b>Non-current borrowings</b>	
Domestic	
State Debt to Commonwealth	
1-5 years	9,974
Over 5 years	0
Public Loans	
1-5 years	160,491
Over 5 years	50,788
Private Placements	
1-5 years	485,450
Over 5 years	242,530
Floating Rate Notes	
1-5 years	165,000
Over 5 years	80,000
Credit Foncier Loans	
1-5 years	19,990
Over 5 years	284,097
	1,498,320
Offshore	
Loan agreements	
1-5 years	168,869
Over 5 years	36,400
Euro Medium Term Notes	
1-5 Years	0
Over 5 years	174,453
	379,722
<b>Total non-current borrowings</b>	1,878,042
<b>Total current and non-current borrowings</b>	2,116,280
Discounts <sup>(3)</sup>	(14,703)
Premiums <sup>(4)</sup>	3,518
<b>Total net borrowings</b>	2,105,095

<b>Creditors and accruals</b>	
<b>Creditors and accruals</b>	114
<b>Interest</b>	37,212
<b>Derivative financial instruments</b>	13,889
	<hr/>
	51,215
	<hr/>
<b>Provisions</b>	15,578
	<hr/>
<b>Total outstanding liabilities</b>	<u>2,171,888</u>

Source: NTTC's audited financial report as at 30<sup>th</sup> June 2000.

Notes:

- (1) All figures rounded to the nearest thousand A\$.
- (2) Current borrowings are borrowings that fall due for payment within the period of 12 months.
- (3) The aggregate of the difference between the face value of borrowings and the discount to such face value.
- (4) The aggregate of the difference between the face value of borrowings and the premium to such face value.
- (5) Since 30<sup>th</sup> June, 2000 A\$200 million has been raised from a public issue. These funds are primarily to meet the refinancing of maturing debt.

## CAPITALISATION

The following table sets forth the capitalisation of NTTC as at 30<sup>th</sup> June, 2000:-

	As at 30 June, 2000 A\$000's <sup>(1)</sup>
	<hr/>
<b>Current liabilities</b>	
Creditor and accruals	51,215
Borrowings	238,238
Provisions	15,578
	<hr/>
<b>Total current liabilities</b>	305,031
	<hr/>
<b>Non-current liabilities</b>	
Borrowings	1,866,857
Provisions	0
	<hr/>
<b>Total non-current liabilities</b>	1,866,857
	<hr/>
<b>Total liabilities</b>	<u>2,171,888</u>
	<hr/>
<b>Equity</b>	
Opening balance - retained surplus	33,638
Current period - surplus	15,411
Dividend provided for / paid	(15,411)
	<hr/>
<b>Total equity</b>	33,638
	<hr/>
<b>Total capitalisation</b>	<u>2,205,526</u>

Source: NTTC's audited financial report as at 30<sup>th</sup> June 2000.

Notes:

- (1) All figures rounded to the nearest thousand A\$.

## THE NORTHERN TERRITORY OF AUSTRALIA

### GENERAL

The Northern Territory covers 1,340,000 square kilometres (517,400 square miles) representing approximately 17 per cent of the total area of Australia. The Northern Territory lies in the north and central region of Australia.

The Northern Territory economy is based on mining, oil gas and agricultural production and tourism.

The following table sets out certain economic indicators relating to the Northern Territory:-

		(Year ended 30 <sup>th</sup> June)		
		1998	1999	2000
GSP	A\$M	6,011	6,468	7,027
Increase in consumer price index	Darwin (%)	0.0	0.7	2.4
Unemployment rate	Annual Average (%)	5.0	4.2	4.6
Net debt of NT	A\$ million	1,276	1,238	1,294
	% GSP	21.2	19.1	18.4
	Per capita	6,669	6,400	6,600
Debt servicing Ratio	% net revenue	7.8	7.6	7.7

Source: Australian Bureau of Statistics and Northern Territory Treasury

### CONSTITUTIONAL RELATIONSHIPS BETWEEN THE COMMONWEALTH AND THE NORTHERN TERRITORY OF AUSTRALIA

The Commonwealth was formed as a Federal Union on 1<sup>st</sup> January, 1901 when the six British Colonies of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania were united as States in a Federation under the Federal constitution ("the Constitution"). Under the Constitution, the Commonwealth Parliament has power to legislate on specific matters of national interest, such as defence, external affairs, overseas and interstate trade and commerce, currency and banking and Territories. It also has exclusive power to impose customs and excise duties and has concurrent powers with the States to levy other forms of taxation. The State Parliaments retain power over all matters other than those expressly granted to the Commonwealth under the Constitution.

The Northern Territory originally formed part of the State of New South Wales but became part of the State of South Australia in 1863. Under the Northern Territory Acceptance Act 1910 (Commonwealth) an agreement between the Commonwealth and the State of South Australia for the surrender to, and acceptance by the Commonwealth of, the Northern Territory was ratified. This Act provided for the administration of the Northern Territory by the Commonwealth. Under section 122 of the Constitution, the Commonwealth Parliament may make laws for the government of any Territory surrendered by any State to, and accepted by, the Commonwealth.

The Northern Territory (Administration) Act 1910 (Commonwealth) provided for the Government of the Northern Territory to be undertaken by an Administrator appointed by the Governor General of Australia (who is appointed by the Queen of Australia on the recommendation of the Commonwealth Government).

The Northern Territory (Self Government) At 1978 (Commonwealth) and regulations made pursuant to the Act ("Self Government Act") established the Northern Territory as a body politic under the Crown in right of the Northern Territory. Under the Self Government Act, the Northern Territory Legislative Assembly is granted power (subject to the consent of the Administrator or the Governor General) to make laws for the peace, order and good government of the Northern Territory (see "Parliament" below) the Legislative Assembly has power to make laws with respect to most matters over which State Parliaments have control including its own borrowings, education, public health, police and justice, transport, roads and railways, industry, mining (subject to certain restrictions - see "Executive" below), agriculture, public works, ports, forestry, electricity, gas and water supply and irrigation.

On areas in which the Commonwealth Parliament and the Northern Territory Parliament have concurrent powers, Commonwealth legislation prevails and the Northern Territory legislation, to the extent of any inconsistency, is invalid In addition, the Northern Territory relies for its existence on the grant of power to the Northern Territory Legislative Assembly under the Self Government Act (a Commonwealth act). The Northern Territory therefore remains subject to the dominion and exclusive jurisdiction of the Commonwealth under the Constitution.

**PARLIAMENT**

The Northern Territory system of Government consists of a Parliament made up of a Legislative Assembly and an Administrator.

The function of the Northern Territory Parliament is to enact legislation which may be proposed by any member of the Legislative Assembly. The Administrator may reject these bills or suggest such amendments to such bills and the Legislative Assembly may accept the amendments if it so desires. In addition the Administrator may reserve laws for review by the Governor General and the Governor General also has the power to disallow a law or part of a law within 6 months after the Administrator consents to a law. However, no such disallowance has occurred since the grant of self government in 1978. In practice, almost all bills are introduced in the Legislative Assembly by the Government in office. An enactment, vote, resolution or question, the effect of which concerns expenditure of public money may not be proposed in the Legislative Assembly unless the purpose of the public expenditure has been recommended by the Administrator. Both the Legislative Assembly and the Administrator must approve legislation in order for it to become law. The duration of Parliament depends upon the life of the Legislative Assembly. A general election of members of the Legislative Assembly is held at least once every four years. Members of the Legislative Assembly are elected by compulsory popular vote.

The two political parties represented in the Northern Territory Parliament are the Country Liberal Party ("CLP") and the Australian Labor Party. The Northern Territory has experienced a stable government with the CLP being continually in Government since 1974. The leader of the CLP, the Honourable Dennis Burke, holds the office of Chief Minister. Since the most recent election in August 1997, the composition of the Legislative Assembly has been as follows:-

	No. of seats	% of total seats
Country Liberal Party	18	72%
Australian Labor Party	7	28%
	25	100%

## **EXECUTIVE**

Under the Self Government Act, the Administrator (the Crown's appointed representative) is charged with the duty of administering the Government of the Northern Territory. The Administrator summons and prorogues (discontinues meetings without dissolving) Parliament.

The Administrator acts by convention upon the advice of an Executive Council in relation to matters of which the Ministers of the Northern Territory have executive authority (which includes a wide range of subjects including insurance, banking, taxation, corporate affairs, courts and the administration of justice). The Commonwealth retains executive control over matters not enunciated in the Self Government Act. The Commonwealth has generally refrained from exercising power over matters affecting the Northern Territory but it exercises its authority with respect to the mining and export of uranium and rights in respect of Aboriginal land.

Ministers are members of the Legislative Assembly and generally belong to the party or coalition of parties which have a majority in the Legislative Assembly. Such Ministers form the Government, with the practical result that executive power is exercised by the Administrator and the Ministers who are members of the Executive Council.

## **PUBLIC FINANCE**

The Commonwealth is the major tax collecting agency in Australia, accounting for approximately 80 per cent of total taxation revenue collected by all levels of government in Australia. State and Territory governments collect approximately 17 per cent and local governments approximately 3 per cent of the total taxation revenue. Revenues raised directly by the States and Territories derive mainly from payroll tax, stamp duty and motor vehicle taxes. Additional significant revenues are derived from fees, investment income and, in the case of certain States and the Northern Territory, from royalty payments, including mineral royalties.

Since 1942, the Commonwealth has acted as the sole income taxing authority in Australia, raising income tax nationally and reimbursing a share of the taxes to the States and Territories.

These allocations in part take the form of general revenue assistance grants payable by the Commonwealth to the States and Territories under legislation which is varied from time to time. The distribution of these grants is subject to the recommendations of the Commonwealth Grants Commission. Grants to the Northern Territory are higher, in real per capita terms, than the average of grants made to the States and Territories. The composition of general revenue assistance changed between 1999-00 and 2000-01 as a result of the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (IGA) signed by the Prime Minister, all Premiers and Chief Ministers in June 1999. This IGA set out intergovernmental financial relations post GST implementation, ie 1 July 2000, with the new arrangements resulting in States and Territories:

- ceasing to receive financial assistance grants and a number of other Commonwealth payments;
- abolishing a number of inefficient state taxes; and
- receiving all the GST revenue.

In addition to the GST revenue the Commonwealth has agreed to provide transitional grants (Guarantee Payments) for a few years after the introduction of tax reforms to ensure that no jurisdiction is worse off. The benefit of replacing financial assistance grants (maintained in real terms) with GST revenue is that GST is a growth tax and will lead to additional revenue for the States and Territories in the medium to long term.

In addition to the general revenue assistance arrangements, the Commonwealth makes a variety of specific purpose payments to the States and Territories, either of a recurrent or capital nature for activities ranging from Aboriginal assistance schemes to promotion of higher education. The majority of specific purpose payments are “tied” as they involve conditions such as expenditure for a specific activity or the adoption of certain Commonwealth policies as a pre-requisite to the grant. In the IGA the Commonwealth has agreed to continue to provide specific purpose payments to the States and Territories and has no intention of cutting aggregate SPPs as part of the reform process. A process for monitoring SPPs has been established by the Ministerial Council of Commonwealth, State and Territory Treasurers to ensure that cuts to aggregate SPPs do not occur. The Commonwealth’s Australian dollar debt obligations are, as at the date of the Information Memorandum, rated AAA/A-1+ by Standard & Poor’s Ratings Group and Aaa/P-1 by Moody’s Investors Service.

## **GOVERNMENT FINANCES**

### **Structure and principles**

The accounting practices for the receipt and disbursements of public moneys of the Northern Territory are set out in the Financial Management Act 1995 (NT) (“Financial Management Act”) and the Audit Act 1995 (NT). The moneys received and expended by the Northern Territory are dealt with through the Public Accounts of the Northern Territory. The Public Accounts consist of the Consolidated Revenue Account and the Operating Accounts (accounts established for units of Government administration or offices or statutory corporations of the Northern Territory (“Agencies”)).

An important aspect of the Northern Territory’s financial system is the principle that only the Northern Territory can levy Northern Territory taxes and appropriate Northern Territory expenditure from the Public Accounts. Section 5(2) of the Financial Management Act provides that money shall be withdrawn from the Consolidated Revenue Account only by transfer into an Operating Account on direction of the Treasurer. Payments out of Operating Accounts are controlled by Accountable Officers of each Agency (the chief executive officer (or equivalent) of each Agency). The Under Treasurer is the Accountable Officer for the Agency responsible for the Financial Management Act and the NTTC Act.

The Treasurer may also establish Accountable Officer’s Trust Accounts for all money required by the Financial Management Act or other acts of the Northern Territory to be held in trust by the Northern Territory or an Agency.

### **Budgetary Matters and Financial Policy**

The estimates of revenue and expenditure relating to the Public Accounts of the Northern Territory are commonly referred to as the Northern Territory Budget. The Treasurer, in his role as manager of the finances of the Northern Territory, is responsible for the preparation of the Northern Territory Budget which is prepared annually.

The revenues of the Public Accounts include taxes, license fees, royalties, fees and charges for government services, capital and recurrent grants from the Commonwealth, proceeds of loans raised on behalf of the fund by the NTTC and loan repayments made by recipient government departments and statutory authorities.

Expenditures of the Public Accounts cover salaries and other costs involved in providing basic government services such as education, health (including transport), law and order (including police), public transport, conservation and community welfare, as well as debt servicing and pensions of former employees, appropriations for major capital works such as hospitals and health centres, schools and education facilities, land acquisition and the provision of public housing, and the construction and maintenance of governmental buildings.

Since Parliament appropriates public funds in specific sums for particular purposes as identified by the government, the Financial Management Act provides for extensive accountability by the government in relation to these funds. The Treasurer is required under the Financial Management Act to publish at the end of each quarter a detailed statement of receipts and expenditure of the Public Accounts and Accountable Officer's Trust Accounts for the quarter.

**Northern Territory "public Accounts" gross outlays and receipts**

	(Year ended 30 <sup>th</sup> June)		
	1998	1999	2000
	A\$000	A\$000	A\$000
Expenditure	2,865,907	2,905,645	3,027,423
Receipts by source	2,748,769	2,884,823	3,030,264
Receipts from Commonwealth sources:			
General purpose			
Commonwealth grants	1,096,105	1,042,233	1,085,630
Other Commonwealth grants	325,215	444,906	396,120
Receipts from Northern Territory sources	1,327,449	1,397,684	1,548,514

Source: Treasurer's Annual Financial Report

## OUTSTANDING DEBT OF THE NORTHERN TERRITORY OF AUSTRALIA

The Northern Territory guarantees debt issued by state authorities and certain other public and private entities. See "Contingent liabilities" below.

### Direct Debt

The direct debt liability of the Northern Territory arises from:-

- (i) Northern Territory borrowing (including borrowing by way of private placement, public loan and the issue of debt securities); and
- (ii) Commonwealth advances outstanding (including amounts previously raised by the Commonwealth on behalf of the Northern Territory and amounts relating to loans and assets transferred from the Commonwealth to the Northern Territory after the grant of self government in 1978).

The following table sets out the outstanding direct debt liability of the Northern Territory:-

	(Year ended 30 <sup>th</sup> June)		
	1998	1999	2000
	A\$M	A\$M	A\$M
Gross Debt	1,999	1,999	2,064
Territory Borrowings	1,552	1,557	1,681
Commonwealth Advances outstanding	447	442	383
Financial Assets	723	761	770
Net Debt	1,276	1,238	1,294

Source: Treasurer's Annual Financial Report

### Contingent Liabilities

The Northern Territory's contingent liabilities as at 30<sup>th</sup> June, 2000 may be summarised as follows:-

- (i) Amadeus Basin to Darwin Gas Pipeline ("Pipeline")

In respect of the Pipeline project, the Northern Territory provides the following indemnities and guarantees:

- the Northern Territory indemnified the company which constructed the Pipeline in support of obligations of the Power and Water Authority to the company which, at 30 June 2000, consisted of 25 quarterly instalments amounting to \$47M in net present value terms.
- the Northern Territory provided support for PAWA's financing obligations in connection with the Pipeline. Financing obligations owed by PAWA as at 30 June 2000 totalled approximately A\$134.8M in net present value terms to be paid in 22 half yearly payments.
- the Northern Territory has agreed to underwrite the refinancing of the Pipeline if the financing facility for the Pipeline currently in place is terminated prior to the end of the contract term.

- the Northern Territory guarantees gas producers in support of obligations of a subsidiary of PAWA (“PAWA Subsidiary”) under gas purchase contracts. The PAWA Subsidiary’s obligations as at 30 June 2000 totalled A\$115.8M in net present value terms.
- the Northern Territory guarantees the principal and interest on a loan made to PAWA Subsidiary during the 1993-94 financial year. The principal amount outstanding as at 30 June 2000 was A\$12.99M.

(ii) Electricity and Gas Supply to Pine Creek

The Northern Territory indemnifies the Power and Water Authority with regard to the wholesale supply of electricity to mines in the Pine Creek region, against liability arising from any wilful or negligent action or omission of the Power and Water Authority.

The Northern Territory indemnifies the Power and Water Authority with regard to the supply of non-conforming gas without prior agreement.

The contingent liability is unquantifiable. However, under the Power and Water Authority’s current operating practices the contingent events relating to each of the above indemnities are within the Authority’s control and are expected to be easily avoidable. Accordingly, the prospect of this undertaking being called upon is considered to be negligible.

(iii) Guarantees Provided Under the Northern Territory Insurance Office Act

The Northern Territory guarantees every policy or contract of insurance or indemnity, and the repayment of, and the interest payable on, each deposit with the Territory Insurance Office, under section 30(1) of the Territory Insurance Office Act 1979 (NT). As at 30 June 2000, the Territory Insurance Office had deposits including accrued interest on deposits of A\$118.9M, and reserves against future claims by policy holders of A\$211.1M.

The prospect of this contingent liability being called upon is considered to be negligible.

(iv) Indemnity Provided Under the Public Trustee Act

The Treasurer indemnifies the Common Fund against any deficiencies in money legally available to meet lawful claims on it under section 28 of the Public Trustee Act 1979 (NT). As at 30 June 2000, the Common Fund held deposits of some \$19.5M.

The prospect of this contingent liability being called upon is considered to be negligible.

(v) Darwin to Alice Springs Railway

The AustralAsia Railway Corporation has given certain undertakings to the preferred consortium if contracts for the Darwin to Alice Springs Railway are not included.

The Territory and South Australia have jointly agreed to support the Corporation’s undertakings. In all situations, the costs will be shared but in the least favourable circumstances, the Territory’s maximum liability under the indemnities would be \$12.434M.

**DEBT RECORD**

The Northern Territory has always paid in full every obligation issued or assumed by it. These obligations have been paid promptly when due and in the currency stipulated.

## **GUARANTEE**

All obligations incurred or assumed by NTTC under the Notes are guaranteed by the Treasurer on behalf of the Northern Territory pursuant to Section 20 of the NTTC Act (“Guarantee”).

The Guarantee is a direct and unconditional obligation of the Northern Territory. Section 21 of the NTTC Act provides that money payable by the Treasurer under the Guarantee on behalf of the Northern Territory constitutes a charge on, and is payable out of, the public moneys of the Northern Territory. The allocation made from the public moneys of the Northern Territory for the purpose of meeting obligations under the Guarantee is, by force of the section, established or increased to the extent necessary.

Claims under the Guarantee will rank at least *pari passu* with unsecured obligations of the Northern Territory (except obligations mandatorily preferred by law). The satisfaction of obligations under the Guarantee is dependent on there being public moneys of the Northern Territory available to meet such obligations.

If the Northern Territory fails to discharge any liability under Section 20 of the NTTC Act when called upon to do so proceedings may be brought against the Treasurer and the Northern Territory in the courts of the Northern Territory in accordance with the Crown Proceedings Act 1993 (NT) (“Crown Proceedings Act”). Neither the Treasurer nor the Northern Territory have submitted to the jurisdiction of any courts outside the Northern Territory in respect of the Notes.

If a judgement is obtained in a Northern Territory court (“Court”) against the Northern Territory, unless the Court orders otherwise, the Registrar of the Court must, at the expiration of the period during which an appeal may be lodged, transmit a copy of the judgement to the Administrator. If the Administrator receives a final judgement from a court, the Administrator shall give directions as to the manner in which the judgement is to be satisfied (“Direction”). If the Treasurer (or another Minister of the Northern Territory) is directed by the Administrator to satisfy a judgement out of the public moneys of the Northern Territory the Minister so directed is required by Section 11(4) of the Crown Proceedings Act to carry out the Direction.

## TAXATION

### AUSTRALIAN TAXATION

*The following is a summary of the Australian Taxation treatment as the date of this Offering Circular (of payments of interest on the Notes and certain other matters). It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (such as dealers in securities). Noteholders who are in any doubt as to their tax positions should consult their professional advisers.*

An exemption from Australian interest withholding tax is available in respect of the Notes under section 128F of the Income Tax Assessment Act 1936 of Australia ("Australian Tax Act") if the following conditions are met:-

- (a) the Issuer is a resident of Australia when it issues the Notes and when interest (as defined in section 128 (1AB)) is paid;
- (b) the Notes are issued outside Australia;
- (c) the Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in overseas capital markets are aware that the Issuer is offering Notes for issue. In summary the five methods are:-
  - (i) offers to 10 or more unrelated financiers or securities dealers;
  - (ii) offers to 100 or more investors;
  - (iii) offers of listed Notes;
  - (iv) offers via publicly available information sources; and
  - (v) offers to the Dealers who offer to sell the Notes within 30 days by one of the preceding methods.

In addition, the issue of a global Note by the Issuer and the offering of interests in the global Note by one of these methods should satisfy the public offer test.

- (d) The Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes were being or would later be, acquired (directly or indirectly) by an associate of the Issuer (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes).
- (e) At the time of payment of interest, the Issuer does not know or have reasonable grounds to suspect, that the payee is an associate of the Issuer.

The Issuer intends to issue Notes in a manner which will satisfy the public offer test (or the requirements for a global bond) and which otherwise meets the requirements for section 128F of the Australian Tax Act.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 47 per cent. on the payment of interest on bearer debt Securities (other than certain promissory Notes) if the Issuer fails to disclose names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on Notes held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of Notes satisfied the requirements of section 128F of the Australian Tax Act or where interest withholding tax is payable. However the operation of section 126 in relation to Notes held by other persons is unclear. Section 126 will not apply in these circumstances where the name and address of the holder of the relevant Note is disclosed to the Australian Taxation Office. Where interests in the relevant Notes are held by other persons through the Euroclear and Clearstream, Luxembourg systems, the Issuer intends to treat the operators of those systems as the holders of the relevant Notes for the purposes of section 126.

As set out in more detail under “Terms and Conditions of the Notes - Taxation”, if the Issuer should at any time be compelled by law to deduct or withhold an amount in respect of Australian withholding taxes, it shall, subject to certain exceptions set out under the heading “Terms and Conditions of the Notes Taxation”, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the Noteholders after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required.

The Issuer has been advised under Australian laws as presently in effect

- (i) assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payment of principal and interest to a Noteholder who is a non-resident of Australia and who, during the taxable year, has not engaged in trade or business through a permanent establishment within Australia will not be subject to Australian income taxes;
- (ii) a Noteholder who is a non-resident of Australia and who, during the taxable year, has not engaged in trade or business at or through a permanent establishment within Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of a Note by a non-Australian resident holder to another non-Australian resident where the Note is sold outside Australia and all negotiations are conducted and all documentation is executed outside Australia would not be regarded as having an Australian source;
- (iii) there are specific rules that can apply to treat a portion of the purchase price of the Notes as interest for withholding tax purposes (which portion is not covered by the exemption in section 128F of the Australian Tax Act) when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually or sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident (who acquires them in the course of carrying on trade or business at or through a permanent establishment in Australia);
- (iv) no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (v) no *ad valorem* stamp, issue, registration or similar taxes that are payable in Australia on the issue of any Notes or the transfer of any Notes outside Australia (except in certain circumstances where the transfer occurs in Australia otherwise than for full market value);
- (vi) section 12-140 of the Taxation Administration Act 1953 of Australia (“TAA”) imposes a type of withholding tax at the rate of (currently) 48.5 per cent. on the payment of interest on certain securities unless the holder has quoted a tax file number (“TFN”), in certain circumstances an Australian Business Number (“ABN”) or proof of some other exception. Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes in registered form, these rules should not apply to payments to a holder of registered Notes who is not a resident of Australia for tax purposes and not holding the Notes in the course of carrying on business at or through a permanent establishment in Australia. Withholdings may be made from payments to holders of registered Notes who are residents of Australia or non-residents carrying on business at or through a permanent establishment in Australia but who do not quote a TFN or provide proof of an appropriate exemption. For the avoidance of doubt, these provisions will also not apply to Notes in bearer form; and
- (vii) section 12-190 of the TAA imposes another type of withholding obligation such that if the Issuer makes payment to a holder of Notes for a supply the holder of Notes has made to the Issuer in the course or furtherance of an enterprise carried on in Australia by that holder, the Issuer must withhold amounts from the relevant payment at the prescribed rate (ordinarily 48.5 per cent.) unless that holder has quoted its ABN or another exception applies. These rules should not apply to payments of principal and interest by the Issuer to holders where a TFN, ABN, proof of an exemption from the need to so quote

has been provided or a deduction made by the Issuer for a failure to so quote in accordance with and under the circumstances discussed in paragraph (vi) above. On the basis that all holders of Notes in registered form will be covered by the above, the withholding requirements of section 12-190 of the TAA should have no residual operation with respect to registered Notes. Further, these rules will not apply where the holder of a bearer Note has not subscribed for such bearer Notes as part of commercial activity or business through a place of business in Australia.

#### **EUROPEAN UNION DIRECTIVE ON THE TAXATION OF SAVINGS**

The European Union is currently considering proposals for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required to provide tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding tax system for a transitional period in relation to such payments.

## **SUBSCRIPTION AND SALE**

### **Summary of Dealer Agreement**

Subject to the terms and on the conditions contained in a Dealer Agreement dated 14 March 2001 (the “Dealer Agreement”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### **Selling Restrictions**

#### **United States**

The Notes have not been and will not be 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, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## United Kingdom

Each Dealer has agreed that:

- (i) it has not offered or sold and will not offer or sell (a) any Notes (other than Notes with a maturity of less than one year), in respect of which admission to listing in accordance with Part IV of the Financial Services Act 1986 (the “Act”) is to be sought, to persons in the United Kingdom prior to admission of such Notes to such listing or (b) prior to the date six months after their date of issue, any Notes (other than Notes with a maturity of less than one year or a minimum denomination of at least euro 40,000 or its equivalent in other currencies), in respect of which admission to such listing is not to be sought, to persons in the United Kingdom, in each case, except 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 otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or, in the case of Notes in respect of which admission to such listing is to be sought, the Act
- (ii) it has complied with and will comply with all applicable provisions of the Act with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and
- (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes, other than any document that consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

## Australia

Each Dealer has confirmed its understanding that no prospectus or other disclosure document in relation to the Notes has been lodged with, or registered by, the Australian Securities and Investments Commission (“ASIC”) or the Australian Stock Exchange Limited. Each Dealer has represented and agreed that in connection with the primary distribution of Notes it:

- (i) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, the Offering Circular or any other offering material or advertisement relating to the Notes in Australia.

Each Dealer has also agreed that after the primary distribution it will not sell Notes to any person, except in accordance with the *Corporations Law* (within the meaning of the *Corporations Act 1989* of Australia), the Corporations Regulations made under the *Corporations Law* and any other applicable laws.

In addition and unless the Pricing Supplement otherwise provides, each Dealer has agreed that it will not sell Notes to any person if, at the time of such sale, the employees of the Dealer aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an associate of the Issuer for the purposes of section 128F(5) of the *Income Tax Assessment Act 1936* of Australia.

## **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Other than in the United Kingdom, 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 Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer, the Guarantor, nor any other Dealer shall have responsibility therefor.

## FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Form of Pricing Supplement

Pricing Supplement dated [•]

### Northern Territory Treasury Corporation

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
Guaranteed by The Treasurer on behalf of the Northern Territory of Australia  
under the U.S.\$500,000,000 Guaranteed Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [•] [and the supplemental Offering Circular dated [•]]. This Pricing Supplement must be read in conjunction with such Offering Circular [as so supplemented].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

- |          |       |  |   |
|----------|-------|--|---|
| <b>1</b> | (i)   | Issuer:  | Northern Territory Treasury Corporation   |
|          | (ii)  | Guarantor:   | The Treasurer on behalf of the Northern Territory of Australia  |
| <b>2</b> | (iii) | Series Number:   | [•]   |
|          | (iv)  | [Tranche Number:   | [•]   |
|          |       | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] |   |
| <b>3</b> |       | Specified Currency or Currencies:  | [•]   |
| <b>4</b> |       | Aggregate Nominal Amount:  |   |
|          | (i)   | Series:  | [•]   |
|          | (ii)  | [Tranche:  | [•]]  |
| <b>5</b> | (iii) | Issue Price:   | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>in the case of fungible issues only, if applicable</i> )] |

	(iv) [Net proceeds:	[•] ( <i>Required only for listed issues</i> )
<b>6</b>	Specified Denominations:	[•] [•]
<b>7</b>	(i) Issue Date:	[•]
	(ii) [Interest Commencement Date (if different from the Issue Date):	[•]]
<b>8</b>	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]
<b>9</b>	Interest Basis:	[[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other ( <i>specify</i> )] (further particulars specified below)
<b>10</b>	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other ( <i>specify</i> )]
<b>11</b>	Change of Interest or Redemption/Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
<b>12</b>	Put/Call Options:	[Put] [Call] [(further particulars specified below)]
<b>13</b>	(i) Status of the Notes:	[Senior]
	(ii) [Status of the Guarantee:	[Senior]
<b>14</b>	Listing:	[Official List of the UK Listing Authority and trading on the London Stock Exchange/Luxembourg/Other ( <i>specify</i> )/None]
<b>15</b>	Method of distribution:	[Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY)  
PAYABLE**

**16 Fixed Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

\* Please add appropriate provisions to terms and conditions if included.

- (i) Rate [(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year
- (iii) Fixed Coupon Amount [(s)]: [•] per [•] in nominal amount
- (iv) Broken Amount: *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]*
- (v) Day Count Fraction (Condition [5(j)]): [Actual/Actual ISMA]
- (vi) Determination Date(s) (Condition [5(j)]): *[Insert day(s) and month(s) on which interest is normally paid (if more than one, then insert such dates in the alternative)]* in each year\*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

**17 Floating Rate Provisions**

[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for Notes denominated in euro)*

- (i) Specified Period(s)/Specified Interest Payment Dates: [•]
- (ii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) Additional Business Centre(s) (Condition [5(j)]): [•]

\* To be completed for an issue denominated in any currency other than U.S. dollars where Day Count Fraction is Actual/Actual-ISMA

- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (v) Interest Period Date(s): [Not Applicable/*specify dates*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [•]
- (vii) Screen Rate Determination (Condition [5(b)(iii)(B)]):
- Relevant Time: [•]
  - Interest Determination Date: [*• [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*]
  - Primary Source for Floating Rate: [*Specify relevant screen page or “Reference Banks”*]
  - Reference Banks (if Primary Source is “Reference Banks”): [*Specify four*]
  - Relevant Financial Centre: [*The financial centre most closely connected to the Benchmark - specify if not London*]
  - Benchmark: [*LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark*]
  - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]
  - Effective Date: [*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
  - Specified Duration: [*Specify period for quotation if not duration of Interest Accrual Period*]
- (viii) ISDA Determination (Condition [5(b)(iii)(A)]):
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
  - ISDA Definitions: (if different from those set out in the Conditions) [•]
- (ix) Margin(s): [+/-] [•] per cent. per annum
- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum

	(xii) Day Count Fraction (Condition [5(j)]):	[•]
	(xiii) Rate Multiplier:	[•]
	(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
<b>18</b>	<b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
	(i) Amortisation Yield (Condition [6(b)]):	[•] per cent. per annum
	(ii) Day Count Fraction (Condition [5(j)]):	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
<b>19</b>	<b>Index Linked Interest Note Provisions</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
	(i) Index/Formula:	[Give or annex details]
	(ii) Calculation Agent responsible for calculating the interest due:	[•]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[•]
	(iv) Specified Period(s)/Specified Interest Payment Dates:	[•]
	(v) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other ( <i>give details</i> )]
	(vi) Additional Business Centre(s) (Condition [5(j)]):	[•]
	(vii) Minimum Rate of Interest:	[•] per cent. per annum
	(viii) Maximum Rate of Interest:	[•] per cent. per annum
	(ix) Day Count Fraction (Condition [5(j)]):	[•]
<b>20</b>	<b>Dual Currency Note Provisions</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Day Count Fraction (Condition [5(j)]): [•]

**PROVISIONS RELATING TO REDEMPTION**

- 21 Call Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
  - (iii) If redeemable in part: [•]
    - (c) Minimum nominal amount to be redeemed: [•]
    - (d) Maximum nominal amount to be redeemed:
  - (iv) Option Exercise Date(s): [•]
  - (v) Description of any other Issuer’s option: [•]
  - (vi) Notice period (if other than as set out in the Conditions): [•]
- 22 Put Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
  - (iii) Option Exercise Date(s): [•]
  - (iv) Description of any other Noteholders’ option: [•]
  - (v) Notice period (if other than as set out in the Conditions): [•]
- 23 Final Redemption Amount** [Nominal amount/Other/See Appendix]

## 24 Early Redemption Amount

- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition [6(c)]) or an event of default (Condition [10]) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition [6(c)]): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition [7(g)]): [Yes/No/Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 Form of Notes: **Bearer Notes/Exchangeable Bearer Notes/Registered Notes**
- [Delete as appropriate]
- (i) Temporary or Permanent Global Note/Certificate: [Temporary Global Note/Certificate exchangeable for a Permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note/Certificate]
- [Temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice]
- [Permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note/Certificate]
- (ii) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
- 26 Additional Financial Centre(s) (Condition [7(h)]) or other special provisions relating to payment dates: [Not Applicable/Give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates]]
- 27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

- 28** Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
- 29** Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s): [•]
- (ii) Instalment Date(s): [•]
- (iii) Minimum Instalment Amount: [•]
- (iv) Maximum Instalment Amount: [•]
- 30** Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [•]] [annexed to this Pricing Supplement] apply]
- 31** Consolidation provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
- 32** Other terms or special conditions:<sup>1</sup> [Not Applicable/*give details*]

#### **DISTRIBUTION**

- 33** (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- (iii) Dealer's Commission: [•]
- 34** If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 35** Additional selling restrictions: [Not Applicable/*give details*]

#### **OPERATIONAL INFORMATION**

- 36** ISIN Code: [•]
- 37** Common Code: [•]
- 38** Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 39** Delivery: Delivery [against/free of] payment
- 40** The Agents appointed in respect of the Notes are: [•]

#### **GENERAL**

- 41** Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition [11(a)]: [Not Applicable/*give details*]

**42** The aggregate principal amount of Notes issued has been [Not Applicable/[U.S.\$][•]] translated into [U.S. dollars] at the rate of [•], producing a sum of (for Notes not denominated in [U.S. dollars]):

**[LISTING APPLICATION]**

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the U.S.\$500,000,000 Guaranteed Euro Medium Term Note Programme of the Northern Territory Treasury Corporation.

**[STABILISING]**

In connection with this issue, [*insert name of Stabilising Manager*] may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.]

**MATERIAL ADVERSE CHANGE STATEMENT**

[Except as disclosed in this document, there/There]<sup>2</sup> has been no significant change in the financial or trading position of the Issuer, the Guarantor or of the Northern Territory of Australia since [*insert date of last audited accounts or interim accounts (if later)*] and no material adverse change in the financial position or prospects of the Issuer, the Guarantor or of the Northern Territory of Australia since [*insert date of last published annual accounts.*]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular [and the supplemental Offering Circular] referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
Duly authorised

1. If full terms and conditions are to be used, please add the following here:

“The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary.”

The first set of bracketed words is to be deleted where there is a Permanent Global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

2. If any change is disclosed in the Pricing Supplement, it will require approval by the UK Listing Authority in its capacity as competent authority under the Financial Services Act 1986 (for London-listed deals) or the Stock Exchange(s) as the case may be. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular [comprising supplementary listing particulars] rather than in a Pricing Supplement.

## **THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997**

The Notes constitute [commercial paper] [shorter/longer term debt securities]\* issued in accordance with regulations made under section 4 of the Banking Act 1987. The Issuer of the Notes is Northern Territory Treasury Corporation, which is not an authorised institution or a European authorised institution (as such terms are defined in the Banking Act 1987 (Exempt Transactions) Regulations 1997). Repayment of the principal and payment of any interest or premium in connection with the Notes has been guaranteed by The Treasurer on behalf of the Northern Territory of Australia, which is neither an authorised institution nor a European authorised institution.

The Issuer (a) has complied with its obligations under the listing rules of the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 (the “UK Listing Authority”) in relation to the admission to and continuing listing of any Notes issued under the Programme and of any previous issues made by it under the Programme and listed on the official list (the “Official List”) of the UK Listing Authority and traded on the London Stock Exchange plc’s market for listed securities (the “London Stock Exchange”); (b) confirms that it will have complied with its obligations under the listing rules of the UK Listing Authority in relation to the admission to listing of the Notes by the time when the Notes are so admitted; and (c) has complied and will continue to comply with its obligations under the Banking Act 1987 (Exempt Transactions) Regulations 1997 to lodge all relevant information in relation to the Notes with the UK Listing Authority.

\* Include “commercial paper” if Notes must be redeemed before their first anniversary. Include “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include “longer” if Notes may not be redeemed before their third anniversary.

## GENERAL INFORMATION

- (1) The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the London Stock Exchange's market for listed securities will be granted on or before 16 March, 2001, subject only to the issue of a Temporary or Permanent Global Note or one or more Certificates in respect of each Tranche. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the London Stock Exchange will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.
- (2) Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in the Commonwealth of Australia and the United Kingdom in connection with the establishment of the Programme and the guarantee relating to the Programme. The establishment of the Programme was authorised by Deed Poll executed under the common seal of the Issuer on 8 March 2001.
- (3) Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or of the Guarantor since 30 June, 2000 and no material adverse change in the financial position or prospects of the Issuer or the Guarantor since 30 June, 2000.
- (4) Neither the Issuer nor the Guarantor is or has been involved in any litigation or arbitration proceedings which may have or, have had in the 12 months previous to the date of this Offering Circular, a significant effect on the Issuer's or Guarantor's financial position nor so far as the Issuer or the Guarantor is aware is any such litigation or arbitration pending or threatened.
- (5) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
- (7) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent in London and the offices of the Paying Agents:
  - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons)
  - (ii) the Dealer Agreement
  - (iii) the Deed of Covenant
  - (iv) a copy of the NTTC Act
  - (v) the published annual report and audited accounts of the Issuer for the two financial years most recently ended 30 June, 2000 and the audited consolidated annual accounts of the Issuer for the two years ended 30 June, 2000
  - (vi) each Pricing Supplement for Notes that are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities or any other stock exchange

- (vii) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular and
  - (viii) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities.
- (8) Copies of the latest annual report and accounts of the Issuer and the Guarantor and the latest interim accounts of the Issuer and the Guarantor may be obtained, and copies of Agency Agreement, the Deed of Covenant and the Guarantee will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (9) The Auditor-General of the Northern Territory has audited, and rendered unqualified audit reports on, the accounts of the Issuer and the Guarantor respectively for the three years ended 30 June, 2000.

**Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom and which are issued pursuant to an exempt transaction under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the "Regulations") will constitute commercial paper, shorter term debt securities or longer term debt securities (in each case, as defined in the Regulations), as specified in the applicable Pricing Supplement, in each case issued in accordance with regulations made under section 4 of the Banking Act 1987.** The Issuer is not an authorised institution or a European authorised institution (as such terms are defined in the Regulations) and repayment of the principal and payment of any interest or premium in connection with such Notes will be guaranteed by the Guarantor, which is neither an authorised institution nor a European authorised institution.

In relation to any Notes which are issued pursuant to an exempt transaction under regulation 13(3) of the Regulations where such Notes would fall within regulation 13(4)(a) or (b) of the Regulations:

- (a) the Issuer confirms that, as at the date hereof, it has complied with its obligations under the relevant rules (as defined in the Regulations) in relation to the admission to and continuing listing of the Programme and of any previous issues made under it and listed on the same exchange as the Programme
- (b) the Issuer confirms that, it will have complied with its obligations under the relevant rules in relation to the admission to listing of such Notes by the time when such Notes are so admitted and
- (c) the Issuer confirms that, as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about the Programme, any previous issues made under it and listed on the same exchange as the Programme, or any Notes falling within regulation 13(4)(a) or (b) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as Issuer in respect of such Notes as they fall due.

In relation to Notes which are to be exempt transactions under regulation 13(3) of the Regulations and fall within regulation 13(4)(b) of the Regulations, the Issuer confirms that, as at the date hereof, it has complied and will continue to comply with its obligations under the Regulations to lodge all relevant information (as defined in the Regulations) in relation to any such Notes with the UK Listing Authority.

**Address of the Issuer**

**Northern Territory Treasury Corporation**

3<sup>rd</sup> floor, 38 Cavenagh Street  
Darwin  
Northern Territory 0801  
Australia

**Address of the Guarantor**

**The Treasurer on behalf of the Northern Territory  
of Australia**

4<sup>th</sup> floor, Parliament House  
State Square  
Darwin  
Northern Territory 0801  
Australia

**Dealers**

**ABN AMRO Bank N.V.**

250 Bishopsgate  
London EC2M 4AA

**Fiscal Agent, Principal Paying Agent, Registrar, Transfer Agent and Calculation Agent**

**The Chase Manhattan Bank**

Trinity Tower  
9 Thomas More Street  
London E1W 1YT

**Paying and Transfer Agent**

**Chase Manhattan Bank, Luxembourg S.A.**

5 Rue Plaetis  
L-2338 Luxembourg Grand

**Arranger**

**ABN AMRO Bank N.V.**

250 Bishopsgate  
London EC2M 4AA

**UK Listing Authority Listing Agent**

**ABN AMRO Bank N.V.**

250 Bishopsgate  
London EC2M 4AA

**Auditors**

**To the Issuer**

**Auditor-General for the  
Northern Territory**  
12<sup>th</sup> floor, NT House  
22 Mitchell Street  
Darwin  
NT 0801  
Australia

**To the Guarantor**

**Auditor-General for the  
Northern Territory**  
12<sup>th</sup> floor, NT House  
22 Mitchell Street  
Darwin  
NT 0801  
Australia

**Legal Advisers**

**To the Arranger**  
*in respect of English law*

**Linklaters**  
**Linklaters & Alliance**  
One Silk Street  
London EC2Y 8HQ  
United Kingdom

**To the Issuer and Guarantor**  
*in respect of Australian law*

**Mallesons Stephen Jaques**  
Level 28, Rialto  
525 Collins Street  
Melbourne VIC 3000  
Australia