

TREASURER OF NEW SOUTH WALES

PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS) ACT 1967 (THE "ACT")


CONFIRMATION OF APPROVAL OF JOINT FINANCING ARRANGEMENT (M2 MOTORWAY)

- A. On 22 August 1994 The Honourable Peter E J Collins QC MP, in his capacity as Treasurer of New South Wales, approved under section 20(1) of the Public Authorities (Financial Arrangements) Act 1967 (the "Approval") the entry of the Roads and Traffic Authority of New South Wales ("RTA") into a joint financing arrangement to design, construct, operate, maintain, repair and procure the financing of the M2 Motorway pursuant to a M2 Motorway Project Deed dated 26 August 1994 and other related documents ("Relevant Project Documents") with The Hills Motorway Limited ACN 062 329 828 (the "Company") and Perpetual Trustees Australia Limited ACN 000 431 827 ("Perpetual") as the then trustee of the Hills Motorway Trust ("Trust") (which rights and obligations were subsequently novated to Hills Motorway Management Limited ACN 064 687 645 ("Responsible Entity") as responsible entity of the Trust, together the "Hills Group").
- B. The government (as defined in the Act) agreed to guarantee the obligations of the RTA under certain of the Relevant Project Documents, the terms of which are set out in the Deed of Guarantee dated 26 August 1994 between The Honourable Bruce G Baird MP, the Minister of the Crown for the time being charged with the administration of the Transport Administration Act 1988 and the Roads Act 1993 for and on behalf of and so as to bind the Crown in Right of the State of New South Wales, the Company, Perpetual and various other parties ("Deed of Guarantee").
- C. The RTA proposes to enter into the Conversion Project Agreement with the Company and the Responsible Entity in the form attached and marked A ("Conversion Project Agreement").
- D. In accordance with the request of the then Treasurer in his letter of 22 August 1994, as variations are sought to the terms and conditions contained in certain of the Relevant Project Documents by the Conversion Project Agreement, there has been prior consultation between RTA and Treasury as the Deed of Guarantee will also apply in respect of any obligations arising from those variations to the Relevant Project Documents.

Now I, in my capacity as Treasurer of New South Wales, confirm that:

- 1. the section 20 (1) approval of 22 August 1994 continues to apply to the arrangement referred to in paragraphs A and C above;
- 2. in accordance with its written terms, the Deed of Guarantee continues to apply to the arrangement referred to in paragraphs A and C above; and
- 3. the Minister for Roads, for and on behalf of the Crown in Right of the State of New South Wales, is authorised to execute the Conversion Project Agreement.

Dated: 10/1/072007


 Michael Costa
 Treasurer