



INFRASTRUCTURE INTEGRATION AND ECONOMIC DEVELOPMENT
IN THE HUNTER REGION

Investing in demographic shift and urban
infrastructure growth in the Hunter

PANELLIST

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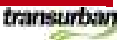









Investing in Regional Infrastructure in the Current
Environment

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nabCapital – Project Finance Australia

 Capital Beltway A\$1,700,000,000 Project Finance Facility for Brownfields Tollroad MLA Facility Agent June 2008	 Studland Bay Wind Farm A\$ 90,000,000 Project Finance Facilities Sole Lead Arranger and Facility Agent April 2007	 Sydney Airport A\$ 2,724,000,000 Credit wrapped capital markets debt issue Joint Lead Managers December 2006	 Reliance Rail A\$365,000,000 Project Finance for NSW Rollingstock PPP Facility Agent & Security Trustee December 2006
 Eastlink Motorway A\$2,096,000,000 Refinancing of Project Finance Facility for Greenfields Tollroad Joint Lead Manager December 2006	 Griffin Power Pty Ltd A\$ 390,000,000 Senior Project Finance Facility Mandated Lead Arranger, & Facility Agent October 2006	 Alinta Cogeneration A\$ 500,000,000 Multi Asset Finance Facility Mandated Lead Arranger, Bookrunner & Facility Agent October 2006	 Port of Portland A\$70,000,000 Capital Expansion & Credit facility Mandated Arranger, Underwriter April 2005



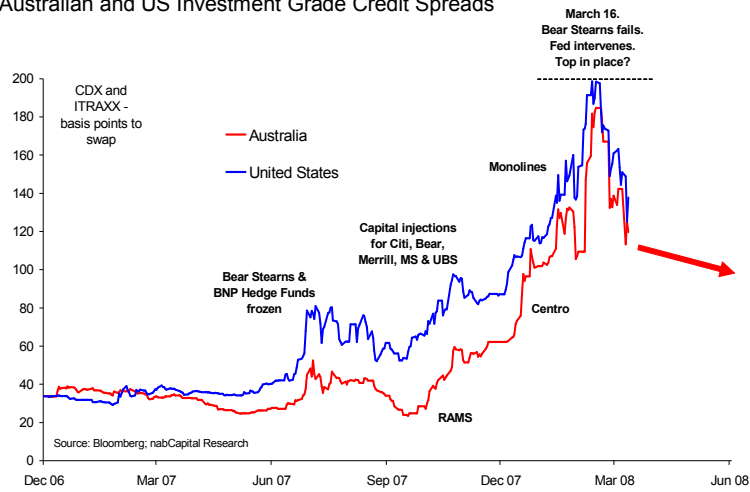
Infrastructure Financing

- Appetite Remains for Infrastructure Funding in the Private Sector
 - Ports / hospitals / roads / pipelines
 - Well structured transactions with quality Sponsors
- Government Policy major determinant for which projects will proceed and how funded
- Various Funding Models Exist – eg availability or market based models
 - Function of risk profile
 - Nature of assets
 - Timing of Infrastructure (eg future or immediate needs)
- **“Credit Crunch/Sub-Prime” is having an impact on pricing and Availability of Capital**

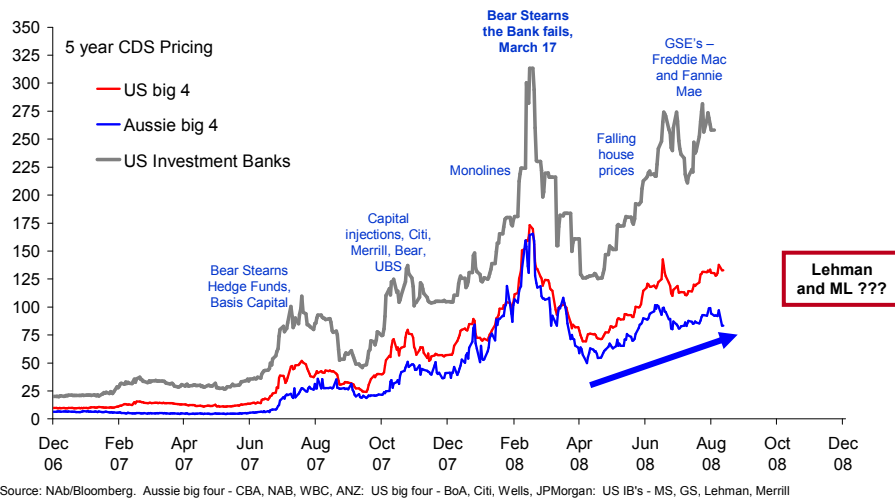


APRIL 2008 SLIDE: The Good News – The worst may be behind us

Australian and US Investment Grade Credit Spreads

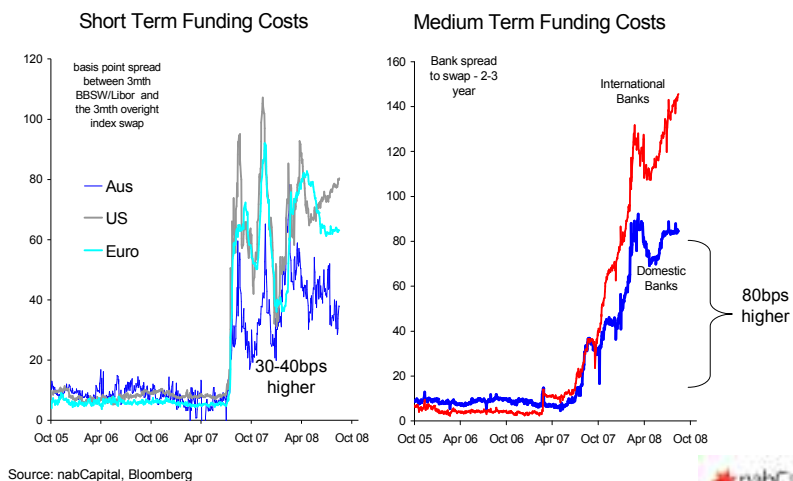


SEPTEMBER '08 SLIDE: Investors nervous - credit spreads still wide



Funding Costs Increasing

Banks typically fund: 55% deposits; 25% wholesale domestic; 20% offshore.



Key Points for Infrastructure Financings

- Capital Markets (Bonds) Shut
- Role for Monolines Non Existent
- Bank Funding Costs Increased
- Capital is a scarce resource – banks more selective on which Projects to support
- Globalisation – UK deal versus Australia versus Singapore versus.....
 - especially the foreign Project Finance banks
- More uncertainty in the appetite of PF banks – some are sitting on the sidelines

The Funding Challenge for the Infrastructure Market

The “Triple Whammy” :

1. Capital Markets Shut
2. Bank Funding Costs Up
3. Number of Deals (& Size) Increasing

*eg Melbourne Desalination
Hospitals – Sunshine / Northern Beaches / Marjorie Jackson
Roads – Northern Link
Ports
Power Stations*



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