

17 November 2008

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The Warrant Administration Manager
ASX Structured Products
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St George Bank Limited Instalments – Loan Amount Adjustments in respect of the Merger offer by Westpac Banking Group Limited

UBS AG, Australia Branch ("**UBS**") is the issuer of SGBISF, SGBISI, SGBISM, SGBSSA and SGBSSB series of instalment warrants over fully paid ordinary shares of St George Bank Limited ("**SGB**"). In this announcement the SGBISF, SGBISI, SGBISM, SGBSSA and SGBSSB Instalment warrants are collectively referred to as "SGB Instalments". Each SGB Instalment has been offered under the corresponding Product Disclosure Statements ("PDS") listed in the table below.

Series	Date of PDS
SGBISF	04 April 2007
SGBISI	1 May 2008
SGBISM	24 April 2008
SGBSSA	2 October 2007 (SPDS 2 October 2007)
SGBSSB	2 October 2007 (SPDS 23 April 2008)

This announcement concerns adjustments to the terms of the SGB Instalments as a result of the merger of St George Bank Limited and Westpac Banking Corporation (WBC). The details of the WBC offer for SGB fully paid ordinary shares are set out in the various announcements by WBC (which can be found at www.asx.com.au).

SGBISI, SGBISM and SGBSSB series will terminate at the close of business on 17 November 2008 as there are no holders in these series.

Pursuant to clause 18B of the Instalment Deed, and with the consent of ASX, SGBISF will adjusted by:

- Applying the special dividend of \$0.31 and a corresponding interest refund to reduce the loan amount.
- Converting them into WBC instalments (WBCIS2) so that you receive 1.31 WBC instalments for every SGB instalment held (where the adjustment will not result in a whole number of WBC instalments, then we will round the number up to the nearest whole number), and
- Changing the Underlying Parcel into one fully paid WBC ordinary share.

The Loan Amount for the new WBC Instalment will be calculated using the following formula:

$$\text{New Loan} = ((\text{Old Loan} - \text{special div}(\$0.31)) - \text{interest refund}) / 1.31$$

Pursuant to clause 20.2 of the Instalment Deed, and with the consent of ASX, SGBSSA will adjusted by:

- Applying the special dividend of \$0.31 and a corresponding interest refund to reduce the loan amount.

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- Applying the ordinary dividend of \$0.94 to reduce the loan amount (in accordance with UBS Self Funding Instalment terms of issue).
- Converting them into WBC instalments (WBCSS2) so that you receive 1.31 WBC instalments for every SGB instalment held (where the adjustment will not result in a whole number of WBC instalments, then we will round the number up to the nearest whole number), and
- Changing the Underlying Parcel into one fully paid WBC ordinary share.
- Early completion Amount will be divided by 1.31.

The Loan Amount for the new WBC Instalment will be calculated using the following formula:

$$\text{New Loan} = ((\text{Old Loan} - \text{special div}(\$0.31) - \text{ord div}(\$0.94)) - \text{interest refund}) / 1.31$$

Old Warrant Code	New Warrant Code	Old Loan Amount	Special Div	Interest Refund	New Loan Amount
SGBISF	WBCIS2	\$20.00	\$0.31	\$0.0071	\$15.0251
SGBSSA	WBCSS2	\$18.6319	\$0.31	\$0.0076	\$13.2628

Old Warrant Code	New Warrant Code	Old ECA	Old Completion Payment	New ECA	New Completion Payment
SGBSSA	WBCSS2	\$1.5375	\$20.1694	\$1.1737	14.4365

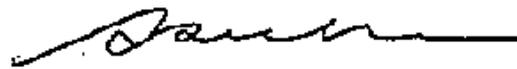
The New Loan Amount for the new WBC Instalments will become effective on resumption of normal T+3 Trading on and from Tuesday 18 November 2008.

If you have any questions regarding this matter please contact your Stockbroker or Financial Adviser or call the UBS Warrant Sales Desk on 1800 633 100. All terms used in this letter have the meaning given to them in the PDS unless otherwise indicated.

Yours faithfully,
UBS AG, Australia Branch



Adam Vivelis
 OTC Retail Manager



Susan Kitchener
 Head of Equities Derivatives

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