

14 February 2013

Mr Ross Pullen
Warrant Administration
Australian Securities Exchange
Level 6, 20 Bridge St
Sydney NSW 2000

Dear Mr Pullen,

**Re: Challenger Portfolio Endowment Warrants containing securities in TLS and CBA:
Change in the Outstanding Amounts**

In accordance with the terms of the Offering Circular pertaining to the Portfolio Endowment Warrants named above, the ASX must be given notice of the level of the Outstanding Amount whenever there is a Reduction Amount within seven days thereafter. Westpac Banking Corporation, by this letter, gives the ASX notice of the same.

Distribution/ Entitlement of Security

Securities	Telstra Corporation Limited (TLS)	Commonwealth Bank of Australia (CBA)
Distribution/Entitlement	Interim dividend	Interim dividend
Amount	\$0.14 per security	\$1.64 per security
Ex-distribution Date	18 February 2013	18 February 2013
Record Date	22 February 2013	22 February 2013
Payment Date	22 March 2013	05 April 2013

As detailed in the applicable Offering Circular, distributions constitute a Reduction Amount. The Reduction Amount reduces the Outstanding Amount, and therefore the Final Payment.

Changes in Outstanding Amounts

Portfolio Endowment Warrant	Underlying Security	Number of Securities in Portfolio	Total Reduction Amount per Warrant	Number Of Warrants	Outstanding Amount After Reduction Amount
PEWEEB	TLS	20	\$0.0077	1,000	\$125.90
	CBA	3		1	\$0.1259

Current Rates at which the Outstanding Amounts Increase

Pursuant to the Offering Circular dated 11 November 2002 Outstanding Amounts payable under the warrants increase at the Base Rate plus the Margin. The following table sets out the rates applicable to all series of Endowment Warrants issued by Challenger Equities Limited for the current calendar quarter:

	Rates from 1 January 2013 to 31 March 2013 inclusive
Base Rate (p.a.)	3.0600%
Margin (p.a.)	2.5000%
Total (p.a.)	5.5600%

Portfolio Constitution - PEWEEB Portfolio Endowment Warrants

Pursuant to an Offering Circular dated 11 November 2002 (PEWEEB), the constitution of the portfolio is set out in the following table:

ASX Code	Underlying Shares	No of Shares in Underlying Parcel PEWEEB
AWC	Alumina Limited	13
AMC	Amcor Limited	11
AMP	AMP Limited	8
ANZ	Australia and New Zealand Banking Group Limited	5
BHP	BHP Billiton Limited	10
BXB	Brambles Limited	15
CBA	Commonwealth Bank of Australia	3
NAB	National Australia Bank Limited	3
NWS	News Corporation Limited	5
RIO	Rio Tinto Limited	3
SUN	Suncorp Metway	9
TLS	Telstra Corporation Limited	20
WBC	Westpac Banking Corporation	13.55
WES	Wesfarmers Limited	3
WOW	Woolworths Limited	8
WPL	Woodside Petroleum Limited	8
WDC	Westfield Group	8

For further information please contact Westpac Banking Corporation on 1800 990 107.

For and on behalf of Westpac Banking Corporation