



Westpac Funds Management Limited

ABN 28 085 352 405

AFS Licence No 233718

Level 6, 275 Kent Street

SYDNEY NSW 2000 Australia

www.westpac.com.au

16 October 2007

Dear Westpac FIRsTS Holder

I am writing to you to advise you of important information relating to your investment in the Westpac Fixed Interest Resetable Trust Securities ("Westpac FIRsTS"). In accordance with the terms and conditions of the Westpac FIRsTS, you are being provided with a reset notice ("Notice") in relation to the Westpac FIRsTS.

The enclosed Notice contains details of the terms and conditions that will apply to the Westpac FIRsTS from 31 December 2007 (the "First Rollover Date") if the Westpac FIRsTS remain on issue after that date. The terms applicable to distribution payments on the Westpac FIRsTS after the First Rollover Date are set out in Section 1 of the Notice.

The Notice also summarises your rights under the terms and conditions of the Westpac FIRsTS, Westpac's rights in relation to the First Rollover Date as well as the key dates in relation to the Westpac FIRsTS. You will find these outlined in Sections 2 to 4 of the Notice. The full terms and conditions of the Westpac FIRsTS can be found on the Westpac website www.westpac.com.au/investorcentre.

Please read all the information contained in the Notice carefully so that you understand your rights and Westpac's rights in relation to the Westpac FIRsTS.

If you require further clarification please contact the Westpac FIRsTS Information Line on 1300 888 736 if you are located in Australia, or 0800 111 149 if you are located in New Zealand, or your financial advisor.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alan Cameron', with a long horizontal flourish extending to the right.

Alan Cameron A.M.
Chairman

Westpac Funds Management Limited ABN 28 085 352 405, Australian Financial Services License No 233718 ("WFML"), carries on a financial services business that includes the operation of a number of managed investment schemes. An investment in any WFML scheme is not a deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 or any other company in the Westpac group of companies. It is subject to investment risk, including delays in repayment or loss of income and principal invested. None of Westpac Banking Corporation or its related entities stands behind or otherwise guarantees the capital value or investment performance of any part of WFML's financial service business, other than as specifically stated in the documentation for a financial product. Any advice in this letter is general advice that has been prepared without taking account the objectives, financial situation or needs of any client. Anyone reading this letter should, before acting on advice or information in this letter, consider its appropriateness, having regard to their objectives, financial situation and needs.



Westpac FIRsTS –Reset Notice (“Notice”)

16 October 2007

In accordance with the terms and conditions of the Westpac FIRsTS, this Notice is being issued to clarify the terms and conditions that will apply to the Westpac FIRsTS if the Westpac FIRsTS remain on issue after the First Rollover Date (31 December 2007).

Section 1. Which Westpac FIRsTS terms are being amended under this Notice?

The following terms and conditions will apply to the Westpac FIRsTS from the First Rollover Date (31 December 2007):

- (i) The next Rollover Date will be 31 December 2012;
- (ii) The distribution rate, which is based on the Market Rate plus the Margin, will be calculated as follows:
 - The Margin will be unchanged at 1.50%;
 - The basis for determining the Market Rate will remain unchanged (ie. a fixed rate basis) such that the Market Rate to apply will be the Australian dollar 5 year swap rate applicable as at 3 January 2008 (the first Business Day after the First Rollover Date) and announced by Westpac at that time;
- (iii) The frequency of the Distribution Payment Dates will remain unchanged (ie. quarterly on 31 March, 30 June, 30 September and 31 December in each year) commencing on 31 March 2008.

Section 2. What are your rights in relation to this Notice?

You have the right to do either of the following in relation to the First Rollover Date:

1. Do nothing in which case you are taken to accept the terms detailed in Section 1 of this Notice which will apply from 31 December 2007, subject to any further action taken by Westpac (as outlined in Section 3 of this Notice). Your receipt of this Notice does not restrict your ability to sell your Westpac FIRsTS on the ASX; or

2. Complete the enclosed Holder Exchange Notice, requesting an Exchange of some or all of your Westpac FIRsTS, and send it to Link Market Services Limited (using the reply paid envelope) so that it is received on or before 8 November 2007. If you choose this option, Westpac has the right to apply one of the following 3 options on 31 December 2007 in relation to the Westpac FIRsTS which are the subject of the Holder Exchange Notice:

- (i) Exchange all of those Westpac FIRsTS for Ordinary Shares in Westpac (the number of which will be calculated in accordance with the calculation set out in the terms and conditions of the Westpac FIRsTS); or
- (ii) subject to APRA approval, acquire all of those Westpac FIRsTS for cash, at A\$100 per Westpac FIRsTS; or
- (iii) arrange to have a third party purchase all of those Westpac FIRsTS for A\$100 per Westpac FIRsTS.

Westpac will advise holders who have lodged Holder Exchange Notices of the option it has chosen by 28 November 2007.

Once you have sent a Holder Exchange Notice you must not sell your Westpac FIRsTS from the date of that Holder Exchange Notice.

In considering your options as outlined in this Section, you should have regard to Westpac’s rights as set out in Section 3 of this Notice.

Section 3. What are Westpac’s rights in relation to the First Rollover Date?

As set out in the terms and conditions of the Westpac FIRsTS, Westpac can require an Exchange of Westpac FIRsTS by issuing a Westpac Exchange Notice at any time up to 28 November 2007 (being 21 Business Days prior to the First Rollover Date).



If Westpac issues a Westpac Exchange Notice, Westpac has the right (subject to APRA approval) on the First Rollover Date to Exchange all or a portion (on a pro-rata basis) of the Westpac FIRsTS:

- (i) for cash equal to A\$100 per Westpac FIRsTS; or
- (ii) for Ordinary Shares in Westpac (the number of which will be calculated in accordance with the calculation set out in the terms and conditions of the Westpac FIRsTS).

If Westpac issues a Westpac Exchange Notice under the terms and conditions of the Westpac FIRsTS that Westpac Exchange Notice will prevail over any election you may have made as outlined in Section 2 of this Notice.

Section 4. What is the timetable for action in relation to this Notice?

1 November 2007	Westpac full year 2007 results announcement
8 November 2007	If you wish to Exchange your Westpac FIRsTS, you must have sent a signed and completed Holder Exchange Notice so that your Holder Exchange Notice is received by Link Market Services Limited by this date.
28 November 2007	<p>If you have sent a signed and completed Holder Exchange Notice to Link Market Services Limited, Westpac must inform you by this date of the option that it will apply to exchange your Westpac FIRsTS as outlined in Section 2 of this Notice.</p> <p>Please note that, as outlined in Section 3 of this Notice, Westpac may choose to issue a Westpac Exchange Notice at any time up to this date in relation to an Exchange on the First Rollover Date. The Westpac Exchange Notice prevails over any Holder Exchange Notice.</p> <p>If Westpac has not issued a Westpac Exchange Notice by this date and Link Market Services Limited has not received a Holder Exchange Notice from you by 8 November 2007, the Westpac FIRsTS will remain on issue after the First Rollover Date.</p>
31 December 2007	<p>This is the First Rollover Date. On this date your Westpac FIRsTS will either:</p> <ul style="list-style-type: none">- continue to be a listed security on the ASX, in which case the terms set out in Section 1 will apply; or- if a Holder Exchange Notice has been submitted and Westpac does not issue a Westpac Exchange Notice to you, be Exchanged as outlined in Section 2; or- if Westpac issues a Westpac Exchange Notice, be Exchanged as outlined in Section 3.

Words and expressions defined in the terms and conditions of the Westpac FIRsTS have the same meaning where used in this Notice.

Where do I go to find more information?

If you need more information you can refer to the Westpac website www.westpac.com.au/investorcentre or contact the Westpac FIRsTS Information Line on 1300 888 736 if you are located in Australia, or 0800 111 149 if you are located in New Zealand, or contact your financial advisor.

SRN/HIN

Number of Westpac FIRsTS
held as at 12 October 2007:

XXXX

IMPORTANT NOTICE please complete this form. If you do not understand this option, you should seek appropriate independent financial advice.

A EXCHANGE ELECTION

I/We, being holder(s) of Westpac FIRsTS as listed above, hereby give notice, pursuant to and in accordance with clause 6.2 of the terms and conditions of Westpac FIRsTS ("Issue Terms"), of my/our wish to Exchange

[] , [] , [] , [] , []

Westpac FIRsTS

For the purposes of this Holder Exchange Notice, the Exchange Date will be the First Rollover Date, 31 December 2007.

I/We represent, both at the time of giving this Holder Exchange Notice and separately at the time my/our Westpac FIRsTS are Exchanged pursuant to this notice, both for the benefit of Westpac and the person who purchases my/our Westpac FIRsTS (if applicable):

- (a) I/We am/are the legal owner of Westpac FIRsTS; and
- (b) The Westpac FIRsTS are free and clear of any interest or power reserved in or over any interest in any Westpac FIRsTS including, without limitation, under a bill of sale, mortgage, charge, lien, pledge, option, trust or power, by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and whether existing or agreed to be granted or created.

Where this Holder Exchange Notice is signed under a power of attorney, the attorney warrants that he or she has received no notice of revocation of the power by death of the grantor or otherwise.

I/We agree not to deal with, transfer or dispose of or otherwise encumber Westpac FIRsTS which are the subject of this Holder Exchange Notice.

Words and expressions defined in and for the purposes of the Issue Terms have the same meanings where used in this Holder Exchange Notice.

B SIGNATURE(S) OF HOLDER(S) – THIS MUST BE COMPLETED

Holder 1

[]

Sole Director and Sole Company
Secretary/Director (delete one)

Joint Holder 2

[]

Director/Company Secretary (delete one)

Joint Holder 3

[]

Date

[/ /]

Signing Instructions: This Holder Exchange Notice should be signed by the Holder. If a joint holding, all Holders should sign. If signed by the Holder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this Holder Exchange Notice. If executed by a company, the Holder Exchange Notice must be executed in accordance with the Holder's constitution and the Corporations Act 2001 (Cwlth) (or for New Zealand companies, the Companies Act 1993).

C CONTACT DETAILS

Contact Name (PRINT)

[]

Telephone Number (Business Hours)

()

Email

[]

You must complete and return this form so it is received by Link Market Services Limited on or before 8 November 2007.

Privacy Clause: Link Market Services Limited advises that as Chapter 2C of the Corporations Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities and to Westpac Banking Corporation. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).



How to complete this Holder Exchange Notice

- A** Please enter the number of Westpac FIRsTS you wish to exchange in section A of this Exchange Notice. You may wish to exchange some or all of your Westpac FIRsTS. If you have recently traded your Westpac FIRsTS, you may wish to confirm your holding by contacting the Information Line on 1300 888 736 (within Australia) or 0800 111 149 (within New Zealand) since the number shown in the top right hand corner of the Holder Exchange Notice may not be current.
- B** Signing instructions
- (i) Joint holders – all Holders must sign.
 - (ii) Under Power of Attorney – if not previously provided to Link Market Services Limited (Link), a certified copy of the Power of Attorney must accompany this Holder Exchange Notice.
 - (iii) Deceased Estate – all executors should sign and, if not previously provided to Link, a certified copy of Probate or Letter of Administration must accompany this Holder Exchange Notice.
 - (iv) Company – this Holder Exchange Notice must be signed by 2 directors or a director and company secretary. Titles of all signatories should be stated. For companies with a sole director and sole company secretary this must be stated below the single signature.
- C** Please enter your contact name, telephone number(s), area code and email address in case we need to contact you in relation to your Holder Exchange Notice.

Lodgement instructions

Holder Exchange Notices must be received by Link on or before, **Thursday 8th November 2007**. A reply paid envelope is enclosed. For Holders outside of Australia, you will be required to affix the appropriate postage.

Your Holder Exchange Notice may be mailed or delivered to:

MAILING ADDRESS

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
AUSTRALIA

DELIVERY ADDRESS

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

(Please do not use this address for Express Post mailing)

If you require further information on how to complete this form, please contact the registry on telephone 1300 888 736 (within Australia) or 0800 111 149 (within New Zealand).