



Adani Abbot Point Terminal Pty Ltd

(ABN 93 149 298 206)

U.S.\$500,000,000 4.450% Guaranteed Senior Secured Notes due 2022

fully and unconditionally guaranteed by

Mundra Port Holdings Pty Ltd

(ABN 94 150 520 835)

in its personal capacity and as trustee of the Mundra Port Holdings Trust

We are offering U.S.\$500,000,000 of our 4.450% guaranteed senior secured notes due 2022 (the “Notes”). Interest on the Notes will be payable semi-annually in arrears on June 15 and December 15 of each year, beginning June 15, 2018. The Notes will mature on December 15, 2022.

Mundra Port Holdings Pty Ltd in its personal capacity and as trustee of the Mundra Port Holdings Trust (the “Trust” and Mundra Port Holdings Pty Ltd in those capacities, the “Guarantor”) has unconditionally and irrevocably guaranteed payments of interest and principal under the Notes to the extent of the assets of the Trust available to it.

The Notes will be our senior secured obligations and will rank equally in right of payment with all of our existing and future senior secured obligations and senior in right of payment and priority in security to any of our existing and future unsecured or subordinated obligations, other than in any case indebtedness mandatorily preferred by law. See “Description of the Notes”. The collateral securing the Notes will consist of all of our assets, other than our distributions account. This collateral also secures our other senior secured obligations. All of our senior secured debt, including the Notes, when issued, is guaranteed by the Guarantor. The collateral securing the guarantee consists of the assets of the Guarantor, other than the Guarantor’s distributions account. See “Description of the Collateral”.

We may, at our option, redeem all or part of the Notes at any time at par together with, in certain circumstances only, a make-whole payment. Upon the occurrence of a Change of Control Triggering Event (as defined in “Description of the Notes—Maturity and Redemption”), we must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. Additionally, we may redeem all or part of the Notes upon the occurrence of certain changes in applicable tax laws. The redemption provisions are more fully described in this offering memorandum in “Description of the Notes—Maturity and Redemption”.

For a detailed description of the Notes, see “Description of the Notes” beginning on page 154.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 19.

Price for the Notes: 99.361% plus accrued interest, if any, from December 11, 2017

The Notes have not been registered under the Securities Act of 1933 (the “Securities Act”), and are being offered only (1) in the United States to qualified institutional buyers under Rule 144A under the Securities Act (“Rule 144A”) and (2) outside the United States in compliance with Regulation S under the Securities Act (“Regulation S”). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act. For a description of certain restrictions on transfer, see “Transfer Restrictions” beginning on page 293.

We expect the Notes to be ready for delivery in book-entry form through the facilities of The Depository Trust Company (“DTC”) and its participants, including Clearstream Banking S.A. (“Clearstream”) and Euroclear Bank SA/NV (“Euroclear”), on or about December 11, 2017.

Joint Lead Managers

Stifel

Investec

Haitong International

November 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Presentation of Financial and Other Information	xi
Summary	1
The Offering	14
Risk Factors.	19
Use of Proceeds.	48
Capitalization.	49
Selected Financial Information.	50
Management’s Discussion and Analysis of Financial Condition and Results of Operations . .	57
Industry Overview	83
Our Business	84
Our Management	111
The Issuer, the Guarantor and the Adani Group	116
Description of the Operator and the O&M Subcontractor	123
Description of the Users and the User Agreements.	124
Description of the Collateral	138
Description of the Notes	154
Certain Relationships and Related-Party Transactions.	245
Summary Description of the Initial Syndicated Facility Agreement, the A\$ Notes and the USPP Notes	247
Summary Description of the Principal Project Documents	250
Regulation of the Terminal.	265
Certain Australian and United States Federal Income Tax Consequences	276
Plan of Distribution	283
Transfer Restrictions	293
Legal Matters.	296
Independent Auditors	297
Independent Coal Market Consultant	298
General Information.	299
Appendix A — Glossary of Defined Terms.	A-1
Appendix B — Pricing Methodology in Schedule 7 of the User Agreements	B-1
Appendix C — Coal Market Report	C-1
Appendix D — T0 Land.	D-1
Index to Financial Statements and Combined Financial Information.	F-1

IMPORTANT INFORMATION

In this offering memorandum, references to (a) “we”, “us”, “our” and “our company” refer to Adani Abbot Point Terminal Pty Ltd, a company incorporated with limited liability under the laws of the Commonwealth of Australia; (b) “**Guarantor**” refers to Mundra Port Holdings Pty Ltd, a company incorporated with limited liability under the laws of the Commonwealth of Australia, in its personal capacity and as trustee of the Trust, and (c) “**Trust**” refers to Mundra Port Holdings Trust, in each instance unless the context otherwise requires or unless specified otherwise.

You should rely only on the information contained in this offering memorandum. Neither we nor the Initial Purchasers have authorized anyone to provide you with any other information. If any person provides you with different or inconsistent information, you should not rely on it.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes.

We reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered by this offering memorandum. Haitong International Securities Company Limited, Investec Bank plc and Stifel Nicolaus Europe Limited will act as Initial Purchasers with respect to the offering of the Notes (the “**Initial Purchasers**”). The Notes are being offered in connection with the partial refinancing of our Existing Finance Debt in connection with the terminal. This offering memorandum is personal to you and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the Notes.

Having made all reasonable inquiries, we confirm that, to the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case), (i) this offering memorandum contains all information that is material in the context of the issuance and offering of the Notes; (ii) the information contained in this offering memorandum is true and accurate in all material respects and is not misleading; (iii) there are no other facts the omission of which would make this offering memorandum or any such information misleading; and (iv) the opinions and intentions expressed in this offering memorandum with regard to the Issuer and its subsidiaries and affiliates are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions. Accordingly, we accept responsibility for the information contained in this offering memorandum.

The information appearing in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum or otherwise as of any date to which specific reference is made in connection with such information. Our business, financial results, financial condition, cash flows and results of operations may have changed since that date.

This offering memorandum is highly confidential. Distribution of this offering memorandum by you to any person other than those persons retained to advise you is unauthorized, and any disclosure of any of the contents of this offering memorandum without our prior written consent is prohibited. By accepting delivery of this offering memorandum, you agree to the foregoing and to make no photocopies of this offering memorandum, and, if you do not purchase the Notes or the offering is terminated for any reason, to return this offering memorandum to: Haitong International Securities Company Limited (22nd Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong), Investec Bank plc (2 Gresham Street, London, EC2V 7QP, United Kingdom) or Stifel Nicolaus Europe Limited (150 Cheapside, London EC2V 6ET, United Kingdom).

You must (1) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the Notes, and (2) obtain any required consent, approval or permission for the purchase, offer or sale by you of the Notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales, and neither we nor the Initial Purchasers or their respective agents have any responsibility therefore. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under the section headed “Transfer Restrictions”.

You should not construe the contents of this offering memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes. We are not, and the Initial Purchasers are not, making any representation to you regarding the legality of an investment in the Notes by you under applicable legal investment or similar laws.

In making an investment decision regarding the Notes offered by this offering memorandum, you must rely on your own examination of us and the Guarantor and the terms of this offering, including, without limitation, the merits and risks involved. This offering is being made on the basis of this offering memorandum.

The Notes will be guaranteed by the Guarantor. In addition, in certain circumstances the Holders (as defined herein) of the Notes may enforce (through BTA Institutional Services Australia Limited (ACN 002 916 396) (the “**Security Trustee**”)) the security interests granted by us and the Guarantor as part of the collateral package. Our other senior secured obligations are also guaranteed by the Guarantor and will be secured by the same collateral as the Notes. See “Description of the Notes”.

None of The Bank of New York Mellon (the “**Note Trustee**”, the “**Note Principal Paying Agent**”, the “**Transfer Agent**”, and the “**Note Registrar**”), the Security Trustee or the Initial Purchasers has independently verified the information contained in this offering memorandum. No representation or warranty, express or implied, is made by the Initial Purchasers or by their respective U.S. selling agents or the Note Trustee, the Note Principal Paying Agent, the Transfer Agent, the Note Registrar or the Security Trustee as to the accuracy or completeness of such information, and nothing contained in this offering memorandum and Appendices is, or shall be relied upon as, a promise or representation by the Initial Purchasers or such agents or the Note Trustee, the Note Principal Paying Agent, the Transfer Agent, the Note Registrar or the Security Trustee regarding, and no responsibility or liability is accepted by any of them as to, the accuracy or completeness of the information contained in this offering memorandum or any other information provided by the Issuer in connection with the issue of the Notes. None of the Note Trustee, the Note Principal Paying Agent, the Transfer Agent, the Note Registrar or the Security Trustee or the Initial Purchasers accepts any liability in relation to the information contained in this offering memorandum or any other information provided by us in connection with the issue of the Notes. Advisors or consultants named in this offering memorandum have acted pursuant to the terms of their respective engagements and do not make, and should not be taken to have verified, any statement or information in this offering memorandum. This offering memorandum should not be considered as a recommendation by the Initial Purchasers, the Note Trustee, the Note Principal Paying Agent, the Transfer Agent, the Note Registrar or the Security Trustee that any recipient of this offering memorandum should purchase the Notes.

Any of the Initial Purchasers or their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or our other securities or securities of the Guarantor or our respective affiliates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with

selected counterparties and separately from any existing sale or resale of the Notes to which this offering memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes). Furthermore, investors in the Notes may include entities affiliated with us and the Guarantor.

In connection with the issue of the Notes, Stifel Nicolaus Europe Limited (or any person acting for it) (the “**Stabilizing Manager**”) may, outside of Australia, over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on the Stabilizing Manager to do this. Such stabilizing if commenced may be discontinued at any time, and must be brought to an end after a limited period. Such stabilizing shall be in compliance with all applicable laws, regulations and rules.

By accepting delivery of this offering memorandum, you acknowledge that (1) you have been afforded an opportunity to request from us and to review all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum, (2) you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with the investigation of the accuracy of such information or your investment decision, (3) this offering memorandum relates to an offering that is exempt from registration under the Securities Act, and (4) no person has been authorized to give information or to make any representations concerning us, this offering or the Notes described in this offering memorandum, other than as contained in this offering memorandum or incorporated by reference herein, and information given by our duly authorized officers and employees in connection with an investor’s examination of us and the terms of the offering of the Notes.

Laws in certain jurisdictions may restrict the distribution of this offering memorandum and the offer and sale of the Notes. Persons into whose possession this offering memorandum or any of the Notes are delivered must inform themselves about, and observe, those restrictions. Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this offering memorandum and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it purchases, offers or sells the Notes, and neither we nor the Initial Purchasers shall have any responsibility therefor.

See “Risk Factors” following the “The Offering” for a description of certain factors relating to an investment in the Notes, including information about our business. None of us, the Initial Purchasers or any of our or their representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes.

NOTICE TO PROSPECTIVE INVESTORS

This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. You should assume that the information included in this offering memorandum is accurate as of the date on the front cover only or, if a different date is specified in this offering memorandum, that date. Neither the delivery of this offering

memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in our affairs or that the information set forth in this offering memorandum is correct as of any date subsequent to the date of this offering memorandum or that other date (as applicable).

This offering memorandum is being provided on a confidential basis (i) within the United States to “qualified institutional buyers”, as defined in Rule 144A, and (ii) to persons outside the United States in offshore transactions complying with Regulation S under the Securities Act, in each case solely for use in connection with this offering of Notes. Its use for any other purpose is not authorized. This offering memorandum may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided. By accepting delivery of this offering memorandum, you agree to these restrictions and you also acknowledge that this offering memorandum contains confidential information (including, without limitation, with respect to us, the Guarantor and the Adani Group) and you agree that the use of this information for any purpose other than considering a purchase of the Notes is strictly prohibited.

The Notes described in this offering memorandum have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the “SEC”) or any other Federal, state or foreign securities commission or regulatory authority, nor has the SEC or any other securities commission or authority passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Notes or the Guarantee has been or will be lodged with or registered by the Australian Securities and Investments Commission (“ASIC”) or ASX Limited (operator of the Australian Securities Exchange) (the “ASX”) as a disclosure document for the purposes of the Corporations Act as each offer for the issue of, any invitation to apply for the issue of, any offer for sale of, any invitation for offers to purchase, the Notes to a person under this offering memorandum, where that offer or invitation is received in Australia: (a) will be for a minimum aggregate consideration payable by each offeree or invitee on acceptance of the offer or application (as the case may be) of at least A\$500,000 (or its equivalent in another currency, and disregarding any amount paid or payable out of moneys lent by the Issuer or other person making the offer or invitation or its “associates” (as defined in the Corporations Act)); or (b) does not otherwise require disclosure to a person under Part 6D.2 or Part 7.9 of the Corporations Act and is not made to a person who is a Retail Client (as defined in section 761G of the Corporations Act).

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Neither we nor the Initial Purchasers is making an offer to sell the Notes in any jurisdiction except where such an offer or sale is permitted. The distribution of this offering memorandum and the offering itself may in certain jurisdictions be restricted by law. Persons into whose possession this offering memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Notes and distribution of this offering memorandum, see the sections headed “Transfer Restrictions” and “Plan of Distribution”.

AVAILABLE INFORMATION

We are not subject to the information requirements of the US Securities Exchange Act of 1934 (the “Exchange Act”) and the Notes will not be registered under the Securities Act. To permit compliance with Rule 144A in connection with resales or transfers of the Notes, we and the Guarantor have agreed that, for as long as the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will provide a Holder of a Note or the owner of a

beneficial interest in a Note or any prospective purchaser designated by a Holder of a Note or beneficial owner, upon the request of such Holder, beneficial owner or prospective purchaser, information required to be delivered under Rule 144A(d)(4) if, at the time of such request, neither we nor the Guarantor are a reporting company under Section 13 or 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3-2(b) thereunder. So long as the Notes remain outstanding, we and the Guarantor will also provide to the Note Trustee certain financial and other information as further described in “Description of the Notes”.

DEFINED TERMS

Certain capitalized terms used in this offering memorandum and not defined have the meanings assigned to them in the Glossary of Defined Terms set forth as Appendix A hereto, beginning on page A-1 of this offering memorandum. The definitions of certain capitalized terms that are defined in the Note Trust Deed, Common Terms Deed, Intercreditor Deed or Security Trust Deed are provided in “Description of the Notes”.

REFERENCES TO CREDIT RATINGS

There are references to credit ratings in this offering memorandum. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organization. Each credit rating should be evaluated independently of any other credit rating.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this offering memorandum and anyone who receives this offering memorandum must not distribute it to any person who is not entitled to receive it.

ENFORCEMENT OF JUDGMENTS IN AUSTRALIA

Each of the Issuer and the Guarantor is an Australian company registered with limited liability under the Corporations Act.

Judgments obtained in the New York courts

Any final and conclusive judgment of any New York State or United States Federal Court sitting in the Borough of Manhattan in the City of New York having jurisdiction recognized by the relevant Australian jurisdiction in respect of an obligation of the Issuer and the Guarantor in respect of a Note or the Guarantee, that is for a fixed or readily calculable sum of money and that has not been stayed in full, would be recognized by the courts of the relevant Australian jurisdiction so as to give rise to an action to enforce the judgment against the Issuer or the Guarantor (as applicable) in the courts of the relevant Australian jurisdiction which will enable a

further judgment, capable of enforcement in the courts of the relevant jurisdiction against the Issuer or the Guarantor (as applicable), to be obtained without a re-examination or re-litigation of the merits of the matters disposed of or adjudicated by that action, unless:

- the judgment was obtained in proceedings that contravene the principles of natural justice or notions of fairness;
- the judgment is contrary to the public policy of the relevant Australian jurisdiction;
- the judgment was obtained by fraud or duress or was based on a clear mistake of fact;
- the judgment has been wholly satisfied (where enforcement must only be sought to the extent not satisfied);
- the judgment is a penal or revenue judgment;
- there has been a prior judgment in another court between the same parties concerning the same issues as are dealt with in the judgment of the New York State or United States Federal Court, as applicable; or
- the judgment is one in respect of which the Australian Commonwealth Attorney-General has made a declaration or order under the Australian *Foreign Proceedings (Excess of Jurisdiction) Act 1984* (Cth).

Based on the restrictions discussed in this section, there is doubt as to the enforceability in the Commonwealth of Australia, in original actions or in actions for enforcement of judgments of United States courts, of civil liabilities predicated upon the federal securities laws of the United States.

A judgment by a court may be given in some cases only in Australian Dollars.

EXCHANGE RATES AND EXCHANGE CONTROLS AND LIMITATIONS

Exchange Rate

Unless otherwise indicated, financial information appearing in this offering memorandum is presented in Australian dollars. In this offering memorandum, references to “**Australian dollars**” or “**A\$**” are to the lawful currency of Australia and references to “**U.S. dollars**” or “**US\$**” are to the lawful currency of the United States.

The following table sets forth the exchange rate expressed in Australian dollars per U.S. dollar for the periods indicated. The exchange rates reflect the exchange rates as set for the in the H.10 statistical release of the Board of Governors of the Federal Reserve System of the United States.

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Period End</u>	<u>Average ⁽¹⁾</u>
2014	0.9488	0.8097	0.8173	0.9034
2015	0.8212	0.6917	0.7286	0.7522
2016	0.7817	0.6855	0.7230	0.7445
2017				
January	0.7584	0.7231	0.7582	0.7465
February	0.7716	0.7556	0.7686	0.7655
March	0.7733	0.7517	0.7638	0.7622
April	0.7604	0.7452	0.7475	0.7534
May	0.7534	0.7352	0.7437	0.7437
June	0.768	0.7387	0.7676	0.7562
July	0.7991	0.7584	0.7988	0.7807
August	0.7983	0.7822	0.7980	0.7915
September	0.8071	0.7831	0.7840	0.7974
October	0.7885	0.7660	0.7668	0.7788
November (through to November 10) ..	0.7722	0.7637	0.7668	0.7672

Note:

(1) Determined by averaging the daily rates during the period indicated, rounded to four decimal places.

The information herein concerning exchange rates is furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in exchange rates that may exist in the future. We disclaim any responsibility to advise prospective Holders of changes in such exchange rates after the date of this offering memorandum.

This offering memorandum contains translations of certain A\$ amounts into US\$ amounts. Unless otherwise indicated, we have translated A\$ amounts into US\$ amounts at the noon buying rate on August 31, 2017 of A\$1.00 = US\$0.7980. Such translation should not be construed as representations that the Australian dollar amounts represent or could have been converted into U.S. dollars at that rate.

Australian Exchange Controls and Limitations

Payments by an Australian resident to, or transfers to, or dealings with, by the order of, or on behalf of, certain proscribed entities, persons or assets are prohibited or restricted under relevant Australian legislation and regulations:

- Under the Charter of United Nations Act 1945 (Cth) and its related regulations (including the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)), sanctions imposed by the United Nations Security Council (“UNSC”), including under UNSC Resolutions regarding terrorism, are implemented into Australian law. It is a criminal offense to make assets available to, or deal with assets owned or controlled by, persons or entities designated or proscribed by the UNSC or the Minister of Foreign Affairs without authorization from the Department of Foreign Affairs.
- Under Sections 102.6 and 102.7 of the Criminal Code Act 1995 (Cth), a person commits a criminal offense if the person intentionally receives funds from, makes funds available to, or provides support or resources to a terrorist organization. Certain organizations are proscribed as terrorist organizations in the Criminal Code Regulations 2002 (Cth).

- Under the Autonomous Sanctions Act 2011 (Cth) and the Autonomous Sanctions Regulations 2011 (Cth), sanctions are imposed against certain specifically identified persons and entities associated with particular countries, currently including North Korea, Zimbabwe, the former Federal Republic of Yugoslavia, Myanmar (Burma), Russia / Ukraine, Syria, Libya and Iran, and certain transactions involving the named persons or entities may only be conducted with specific approval from the Minister of Foreign Affairs. Contravention of these sanctions constitutes a criminal offense.
- Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and its regulations, countermeasures may be applied against prescribed foreign countries in an effort to protect the Australian financial system from ongoing and substantial terrorism financing and money laundering risks that originate overseas. At present, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing (Prescribed Foreign Countries) Regulation 2016, two countries, Iran and North Korea, are prescribed foreign countries.

Proscribed entities, persons and assets are subject to change from time to time.

FORWARD-LOOKING STATEMENTS

Specific statements contained in this offering memorandum are forward-looking statements. The forward- looking statements can usually be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “intends”, “will”, “shall”, “should” or “anticipates”, or the negative thereof or other variations thereon or comparable terminology, or by discussions of business goals, strategy, plans and intentions, but not all forward-looking statements include these words. All statements other than statements of historical fact included in this offering memorandum are forward-looking statements, including any projections included as part of the Coal Market Report set forth in Appendix C hereto. Although we believe these statements are based upon reasonable current assumptions and expectations, no assurance can be given that the future results referred to by the forward-looking statements will be achieved. If one or more of the assumptions underlying our forward-looking statements proves incorrect, then actual results, levels of activity, performance and achievements could differ significantly from those expressed in, or implied by, the forward-looking statements contained in this offering memorandum. Therefore, we caution you not to place undue reliance on our forward-looking statements.

Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, among others:

- dependence on a small number of users contracted to use the terminal and exposure to credit risk of users of the terminal and to the credit risk of any credit support provider for those users;
- an unfavorable ruling in connection with the current arbitral proceedings with users regarding the applicable terminal infrastructure charge and the take-or-pay charge;
- an unfavorable ruling in connection with the current dispute with users regarding the applicable fixed handling charges and variable handling charges;
- a decline in the level of contracted terminal capacity or default by a user contracted to use the terminal;

- our dependence on the terminal operator including to operate and maintain the terminal and our ability to renew the O&M Contract with the terminal operator;
- the terminal operator's ability to renew the O&M Sub-Contract with the terminal operator's sub-contractor;
- default by the terminal operator under the O&M Contract or default by the terminal operator's sub-contractor under the O&M Sub-Contract;
- operational disruptions outside of our control, including as a result of force majeure events;
- the reliability, availability and cost of third party service providers, such as rail and shipping operators and other components of the coal logistics chain;
- competition from proposed coal export terminals at the Port of Abbot Point and from other coal export terminals in Queensland;
- our exposure to liquidity risk from our users under the User Agreements and our ability to perform our obligations thereunder;
- our ability to maintain the Sub-Leases and the Guarantor's ability to maintain the Leases;
- the shareholder loan we granted to AAPT Holdings may not be repaid;
- changes in government policy or regulation or imposition of new regulations, including in relation to industrial relations, environmental matters and anti-trust;
- the potential that certain parts of the terminal may be subject to compulsory acquisition;
- fines that may be imposed upon us in the event that we breach the strict environmental regulations that apply to us;
- a decline in the global demand for coal or the insufficiency of our users' resource base to support the terminal;
- the impact of interest rate or exchange rate fluctuations;
- macroeconomic conditions in Australia and globally;
- our ability to refinance the Notes and other financial indebtedness;
- a potential misalignment of interests of the persons that control us and the interests of investors in the Notes;
- negative perceptions of our operations, our users and their mines and the coal industry generally;
- risks in connection with the proposed development of the T0 Terminal; and
- certain other risks, uncertainties and other factors identified in this offering memorandum.

The most significant of the risks, uncertainties and other factors are discussed under the heading "Risk Factors" and prospective investors are urged to consider these factors carefully.

Each investor in the Notes offered in this offering memorandum will be deemed to have represented and agreed that it has read and understood the description of the assumptions and uncertainties underlying the projections that are set forth in this offering memorandum and the Appendices hereto and to have acknowledged that we are under no obligation to update the information and do not intend to do so.

We do not undertake any obligation to release publicly any revisions to such forward-looking statements after the date of this offering memorandum to reflect later events or circumstances or to reflect the occurrence of unanticipated events. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we may issue in the future.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

This offering memorandum contains financial information about each of AAPT as the issuer of the Notes and the Trust, which through its trustee, MPH, will guarantee the Notes. In addition, in order to assist investors to understand the financial position and results of the obligor group as a whole, we are providing certain financial information that presents the combined financial performance and financial position of AAPT and the Trust as a combined entity.

The financial information relating to AAPT has been derived from its audited general purpose financial statements as of and for the fiscal years ended March 31, 2017 (“**fiscal 2017**”) and March 31, 2016 (“**fiscal 2016**”) and its unaudited interim financial statements as of and for the four month period ended July 31, 2017, in each case included in this offering memorandum (the “**Issuer’s Financial Statements**”). The fiscal 2016 financial statements include comparative information as of and for the fiscal year ended March 31, 2015 (“**fiscal 2015**”).

The financial information relating to the Trust has been derived from its audited general purpose financial statements for fiscal 2017 and fiscal 2016 and its unaudited interim financial statements as of and for the four month period ended July 31, 2017, in each case included in this offering memorandum (the “**Trust’s Financial Statements**” and, together with the Issuer’s Financial Statements, the “**Financial Statements**”). The fiscal 2016 financial statements include comparative information for fiscal 2015.

The financial statements for AAPT and the Trust have been prepared in accordance with Australian Accounting Standards (“**AAS**”) and other authoritative pronouncements of the Australian Accounting Standards Board (“**AASB**”) and comply with AAS as issued by the AASB and International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”).

The combined financial information has been derived from audited combined financial information for AAPT and the Trust for fiscal 2017 and fiscal 2016 and unaudited interim combined financial information for AAPT and the Trust as of and for the four month period ended July 31, 2017, in each case included in this offering memorandum (the “**Combined Financial Information**”). The fiscal 2016 Combined Financial Information includes comparative results for fiscal 2015. The Combined Financial Information aggregates the results, assets and liabilities of AAPT and the Trust, eliminating intra-group balances and transactions between AAPT and the Trust, including unrealized gains and losses resulting from intra-group transactions. Investors should carefully review Note 2 to the Combined Financial Information, which sets out the basis of

preparation. In particular, investors should note that the Combined Financial Information has been prepared in accordance with AAS except for the requirements of AASB 10 *Consolidated Financial Statements* and omits a number of note disclosures that would be required to be included in a general purpose financial report prepared in compliance with AAS.

AAS differ from generally accepted accounting principles in the United States (“US GAAP”), and those differences may be material to an understanding of the financial information contained herein. In making an investment decision, investors must rely on their own examination of the financial statements and other financial information presented herein and consult with their own professional advisors for an understanding of the differences between AAS and US GAAP and how those differences might affect the financial information contained herein.

Going Concern Assumption

The Financial Statements and the Combined Financial Information in this offering memorandum have been prepared on a going concern basis meaning the directors of AAPT and MPH believe reasonable grounds exist to believe that AAPT, the Trust and the combined entity comprising AAPT and the Trust will be able to pay their debts as and when they are due and payable and will continue their operations in the current manner for the foreseeable future. As described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources”, A\$976,225,000 of our debt is scheduled to mature in November 2018. We intend to use the proceeds of this offering, together with our existing cash and cash flow from operations to refinance all of or a portion of this debt. To the extent that the proceeds of this offering, together with our cash and cash flow from operations are not sufficient to refinance all of this debt, we intend to raise the necessary funds through one or more additional issuances in the debt capital markets or through another form of debt. Until such transactions are complete, an uncertainty exists which may raise a doubt as to the ability of AAPT, the Trust and the combined entity comprising AAPT and the Trust to continue as going concerns. The Financial Statements and the Combined Financial Information in this offering memorandum do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities should AAPT, the Trust and the combined entity, comprising AAPT and the Trust, be unsuccessful in raising funds through one or more additional issuances in the debt capital markets or through another debt to enable them to continue as going concerns and discharge their liabilities in the ordinary course of business.

For a discussion and analysis of the Financial Statements and the Combined Financial Information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

Industry, Market Data and Third Party Information

We obtained the market and industry data and other statistical information used throughout this offering memorandum from our own research, surveys or studies conducted by third parties, independent industry or general publications and other published independent sources including, without limitation, the Coal Market Report provided by AME Consulting Pty Limited (“AME”), a consulting firm specializing in engineering and resource economics retained by us to provide the Coal Market Report referred to in this offering memorandum and attached as Appendix C to this offering memorandum, which relates to both the coal market and the terminal. The information relating to us, the Guarantor and the Adani Group included in this offering memorandum has been derived from public information or provided by each of us, the Guarantor and the Adani Group, respectively. Such publicly available information, except as it relates to us, the Guarantor or the Adani Group, has not been independently verified by us, the Guarantor or the Adani Group, as applicable, or the Initial Purchasers. Where information has been sourced from a third party, such as industry publications and surveys that generally state that they have obtained information from

sources believed to be reliable, but do not guarantee the accuracy and completeness of such information, we believe that such information has been accurately reproduced and, as far as we are aware and are able to ascertain from such information, no facts necessary for the review of such information for the purpose for which it was included herein have been omitted which would render the reproduced information inaccurate or misleading. While we believe that these industry publications and surveys are reliable, none of us or the Initial Purchasers have independently verified such data, and none of us or the Initial Purchasers make any representations as to the accuracy of such information.

This offering memorandum, including the Coal Market Report, includes certain estimates of the coal reserves and resources of our users and certain other coal mining enterprises. All such estimates of coal reserves and resources are based on either disclosures by the mine owners or AME's internal estimates or publically available information and are provided on an "as is" basis. Because we and AME are relying on information reported by mine owners or publically available information, no assurance can be given that the preparation or presentation of such estimates complies with the JORC Code, SEC Industry Guide 7 or any other resource reporting code. Accordingly, all such estimates should be treated with caution.

Rounding Adjustments

Certain figures included in this offering memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregation of the numbers that precede them. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in the Financial Statements and the Combined Financial Information. Certain other amounts that appear in this offering memorandum may not sum due to rounding.

Non-GAAP financial measures

Certain "non-GAAP financial measures" (as defined in Regulation G under the Securities Act) have been included in this offering memorandum. In particular, in this offering memorandum, such measures include:

- "EBITDA", which we define as the aggregate of our revenue and other income less the aggregate of our net operating expenses and administration and general expenses for the relevant period from continuing operations, on a combined basis (that is, by reference to the Combined Financial Information).
- EBITDA margin, which we define for any period as the ratio of EBITDA to the aggregate of our revenue and other income for such period.
- Cashflow Cover Ratio ("CFCR"), as defined in "Description of the Notes—Common Terms Deed—Certain Definitions"; and
- Cashflow Available for Debt Service ("CFADs"), as defined in "Description of the Notes—Common Terms Deed—Certain Definitions".

We believe these "non-GAAP financial measures" provide useful supplemental measures to examine the underlying performance of our business and to understand the implications of our results on the covenants that are contained in the Common Terms Deed which will govern the Notes, as described in "Description of the Notes—Common Terms Deed—Covenants". Management considers these metrics in measuring our operating performance. These non-GAAP financial measures are not required by or presented in accordance with Australian Accounting Standards or IFRS. These measures, however, are not intended as a replacement for, or alternative

to, corresponding measures of net profit such as net cash from operating activities or operating profit as defined under Australian Accounting Standards or IFRS. We believe that EBITDA and EBITDA margin are measures commonly used by analysts, investors and peers in our industry. Accordingly, we have disclosed this information to permit a more complete analysis of our operating performance.

These non-GAAP financial measures, as we calculate them, may not be comparable to similarly titled measures reported by other companies. For a reconciliation of EBITDA to revenue and other income as recorded in the Combined Financial Information, see “Selected Financial Information”. EBITDA may not be indicative of our historical results of operations, nor is it meant to be predictive of future results.

SUMMARY

This summary highlights selected information appearing elsewhere in this offering memorandum. This summary does not contain all of the information that is important to you or that you should consider in making an investment decision and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and Financial Statements and the Combined Financial Information, including the notes thereto, appearing elsewhere in this offering memorandum. Prospective investors should carefully consider the information set forth under “Risk Factors” herein. In addition, certain statements are forward-looking statements that involve risks and uncertainties. See “Forward-Looking Statements”. In this offering memorandum, “we”, “us”, “our”, “our company” and “AAPT” refer to Adani Abbot Point Terminal Pty Ltd as the issuer of the Notes, unless otherwise indicated. Appendix A: contains further definitions of the terms used throughout this offering memorandum.

Overview

We operate the Adani Abbot Point Coal Terminal, a dedicated coal export terminal with a nameplate capacity of 50 million tonnes per annum (“**mtpa**”). The terminal is located in the Port of Abbot Point, approximately 25 km north of Bowen, in North Queensland on Australia’s east coast. The Port of Abbot Point is Australia’s northernmost coal port and one of only three coal ports located within 200 km of the Bowen Basin, which is one of Australia’s major coal provinces. The terminal is connected to rail systems that service the major coal mines of the Bowen Basin. In fiscal 2017, 26.3 million tonnes of coal were loaded through our terminal.

The terminal has operated since 1984, and has been progressively expanded since then to its current nameplate capacity. We sub-lease the terminal under a 99 year sub-lease from the Guarantor, which leases the terminal from an instrumentality of the Queensland government under a 99 year lease. We acquired our leasehold in June 2011 when the terminal was privatized by the Queensland government. At the same time, NQBP sold all of the shares in the Issuer to its initial owner, MPPL, which is a member of the Adani Group. We have contracted with Abbot Point Operations Pty Ltd (the “**Operator**”), a subsidiary of Adani Ports and Special Economic Zone Limited (“**APSEZ**”), to operate and maintain the terminal on our behalf. The Operator has subcontracted operation of the terminal to its wholly owned subsidiary, Abbot Point Bulkcoal Pty Ltd (the “**O&M Subcontractor**”), which has operated the terminal since it was commissioned. In 2016, the Operator acquired the O&M Subcontractor, as a result of which it is also a subsidiary of the Adani Group.

We derive substantially all of our revenue from payments from our “users”, under long-term, take-or-pay contracts, which require that our users pay us fees whether or not they use their contracted capacity.

Our users

We are party to nine long-term, take-or-pay contracts (the “**User Agreements**”) with users. The contracts have expiry dates ranging from 2020 to 2029. Under the User Agreements, users are guaranteed access to the terminal to ship a contracted tonnage of coal. Users are responsible for presenting coal at the terminal and arranging for shipping operators to ship their coal from the terminal to their respective export destinations. Each of the User Agreements was originally entered into between the user and Ports Corporation of Queensland Limited, an instrumentality of the Queensland government, and assigned to us in 2011.

The following table provides details about our nine users and their respective User Agreements:

Users ⁽¹⁾	Contract end date	Ultimate parent entity of user or ultimate parent entity of user joint venture participants, as applicable ⁽²⁾	Credit Support ⁽³⁾	Actual contracted terminal capacity (mt) for the contractual years indicated below		
				2017/2018	2018/2019	2019/2020
Glencore Coal Queensland	June 30, 2020 ⁽⁴⁾	Glencore plc	No	13.0	13.0	13.0
Lake Vermont (on behalf of the Lake Vermont Joint Venture ⁽⁵⁾)	June 30, 2028	Marubeni Corporation Inc Sojitz Corporation Jellinbah Group Pty Ltd AMCI International AG	Yes	6.0	6.0	6.0
Byerwen	June 30, 2029	JFE Steel Corporation QCoal Pty Ltd	Yes	5.0	5.0	5.0
BHP Mitsui	December 31, 2026	BHP Billiton Limited Mitsui & Co (Australia) Ltd	No	4.2	4.2	4.2
QCoal	June 30, 2027	QCoal Pty Ltd	No	4.0	4.0	4.0
Sonoma JV	November 30, 2024	QCoal Pty Ltd CSC Sonoma Pty Ltd China Steel Corporation JFE Steel Corporation	Yes	4.0	4.0	0.5
Middlemount	June 30, 2027	Peabody Energy Corporation Yancoal Coal Mining Company Limited	Yes	3.0	3.0	3.0
Clermont	June 30, 2028	Glencore Plc Sumitomo Corporation Mitsubishi Development Pty Ltd J-Power Australia Pty Ltd J.C.D. Australia Pty Ltd	Yes	1.5	1.5	1.5
Adani Mining ⁽⁶⁾	June 30, 2028	Adani Enterprises Limited	Yes	—	—	—
Total				40.7	40.7	37.2

Notes:

- (1) The full legal name for each user is set out in Appendix A.
- (2) This column sets out the ultimate parent of each user or, where the user is a joint venture, the ultimate parent of some or all of the joint venture participants. This information has been derived from publicly available sources, including from websites maintained by the relevant users or their ultimate parents. We do not have any recourse to any of these ultimate parent entities and reference to them should not be taken as an indication of the credit worthiness of the relevant user or joint venture participant. See further “Risk Factors—Risks related to the terminal and our operations—We depend on a small number of users for substantially all of our revenue. Adverse conditions that impact such users could impair their ability to meet their obligations under their respective User Agreements, or lead to an unremedied payment default, which in turn could have a material adverse effect on our business, results of operation, financial condition and cash flows”.
- (3) A description of the credit support for each relevant User Agreement is set out in “Description of the Users and the User Agreements—The users”.

- (4) We have reached agreement with Glencore Coal Queensland to extend its User Agreement until June 30, 2022, however Glencore Coal Queensland is not required to nominate its final capacity requirements for the extension period until June 30, 2018 and any such nomination may be for materially lower capacity than it currently contracts for.
- (5) The Lake Vermont Joint Venture comprises of the following joint venture parties QCMM (Lake Vermont Holdings) Pty Ltd, Marubeni Coal Pty Ltd, CHR Vermont Pty Ltd and Coranar (Australia) Pty Ltd.
- (6) Adani Mining does not have any contracted capacity during the period from July 1, 2017 to June 30, 2022 and its 9.3mtpa contracted capacity commences from July 1, 2022.

Although certain of our users are subsidiaries of ultimate parent entities that have investment grade credit ratings (or are joint ventures containing such subsidiaries), our right to recover fees from users is limited to the users themselves, except to the extent that specific credit support has been provided as summarized in the table above.

For more information about our users and the terms of their User Agreements, including credit support, see “Description of the Users and the User Agreements”.

Terminal Revenue

Substantially all of our revenues are derived from charges paid by the users under the User Agreements. The User Agreements have substantially identical terms, including the mechanism for setting prices. However, in the past, where there has been disagreement about the calculation of user charges, we have settled prices with individual users or groups of users at different prices.

The charges paid by the users under the User Agreements fall into two categories: (1) “handling charges”, which are charges paid by the users for the fixed and variable costs of handling coal at the terminal, which are a pass-through of the fixed and variable operating costs incurred by the Operator (plus a margin) that we are contractually obliged to pay under the O&M Contract; and (2) “terminal charges”, which are charges paid by the users for each tonne of coal delivered or contracted to be delivered.

The following table shows our revenues, divided between handling charges and terminal charges, for fiscal 2017, fiscal 2016 and fiscal 2015.

	For the year ended March 31,		
	2017	2016	2015
	(A\$ in millions)		
Handling charges	55.5	60.6	55.5
Terminal charges	<u>194.9</u>	<u>220.7</u>	<u>205.2</u>
Total Revenue	250.4	281.3	260.7

Handling charges include a fixed component payable by each user regardless of the amount of its coal actually handled at the terminal and a variable component that is only payable by a user for the amount of coal actually handled at the terminal. These charges are calculated by reference to the amounts we are required to pay under our operations and maintenance contract (the “O&M Contract”) with the Operator. We may also impose charges for miscellaneous services that are outside the scope of the usual services provided for under the User Agreements, such as compacting or coal treatment. These charges are based on the reasonable cost of providing such services, plus a margin payable to the Operator.

Terminal charges are designed as an either/or payment structure whereby for each tonne of contracted capacity, each user is contractually obligated to pay either (a) a terminal infrastructure charge, which we refer to as a “TIC” for the tonnes it delivers to the terminal or (b) a take-or-pay charge, or “TPC”, for the tonnes of coal representing the difference between a user’s contracted

annual maximum tonnage of coal and the tonnes of coal of that user actually handled by the terminal in a contract year. The per tonne TIC and TPC rates are always the same. As a result, users are required to pay the same amount of terminal charges regardless of the volume of coal they deliver, although the timing of TIC and TPC payments differs.

Under the User Agreements, we calculate a TIC/TPC rate for the first year of each five year “review period” based on a contractual formula. The first year TIC/TPC is then escalated in each subsequent year of the review period by reference to inflation. Broadly, the formula is designed to result in us receiving an appropriate rate of return over the review period, taking into account factors such as the depreciated value of the terminal, on-going depreciation, forecast operating expenditure, tax and an appropriate weighted average cost of capital, and whether or not the capacity of the terminal is fully contracted.

The current review period began on July 1, 2017. We notified users that we have calculated the TIC/TPC for the review period beginning on July 1, 2017 at \$5.612 per tonne. All eight of our users that have contracted capacity during the current review period objected to the TIC/TPC calculation performed. We have settled the TIC/TPC with four of those eight users and the remaining four users have initiated arbitral proceedings in accordance with the dispute resolution procedures prescribed by the User Agreements. These arbitral proceedings are ongoing.

While we are subject to strict confidentiality restrictions in connection with both the settlements that we have reached and the continuing arbitral proceedings, the pricing outcome of the settlements is such that the weighted average TIC/TPC that we are entitled to receive from the four users with which we have settled the TIC/TPC, will not be less during the contractual year ending June 30, 2018 than the weighted average TIC/TPC that we were entitled to receive for all users during the three preceding contractual years.

Further details of these arbitral proceedings are set out in “Our Business—Legal Proceedings” and further details of the formula used to determine the TIC/TPC as part of each five year review are set out in “Our Business—Terminal revenue” and Appendix B.

By way of comparison, the weighted average TIC/TPC that applied between July 1, 2016 and June 30, 2017, was A\$4.543 per tonne.

Force majeure events that affect a user’s ability to present coal at the terminal will not reduce the TIC/TPC payable by that user. Force majeure events that delay our ability to handle a user’s coal will also not reduce the TIC/TPC payable by that user. The user may be entitled to claim against us for losses associated with any delay in handling coal due to force majeure, but the user’s entitlement to recover from us compensation for those losses will be limited to the amount we recover from the Operator under the O&M Contract, which is unlikely to be substantial as the O&M Contract relieves the Operator from liability arising from force majeure events.

We are permitted to sell uncontracted capacity to either users or other potential customers on a “spot” basis. For example, although we have not contracted on a “spot” basis in any period prior to April 2017, during the period from April 2017 to June 2017, approximately 232,000 tonnes of coal was exported through the terminal on this basis.

Key Strengths

We believe that the terminal has the following key strengths.

The terminal is a strategically important asset that grants access to international coal export markets

Queensland and the Bowen Basin region

We operate the northernmost coal port in Australia, which is connected directly by rail to the Bowen Basin, a region that has 50 operating coal mines that produce all of Queensland’s

high-grade metallurgical coal, and much of its export-traded thermal coal. The Bowen Basin produces relatively low-cost metallurgical coal and represents the most active and important coal mining region in current production in Queensland. In the year to June 30, 2016, Queensland producers exported 161.8 mt of metallurgical coal and 59.7 mt of thermal coal.

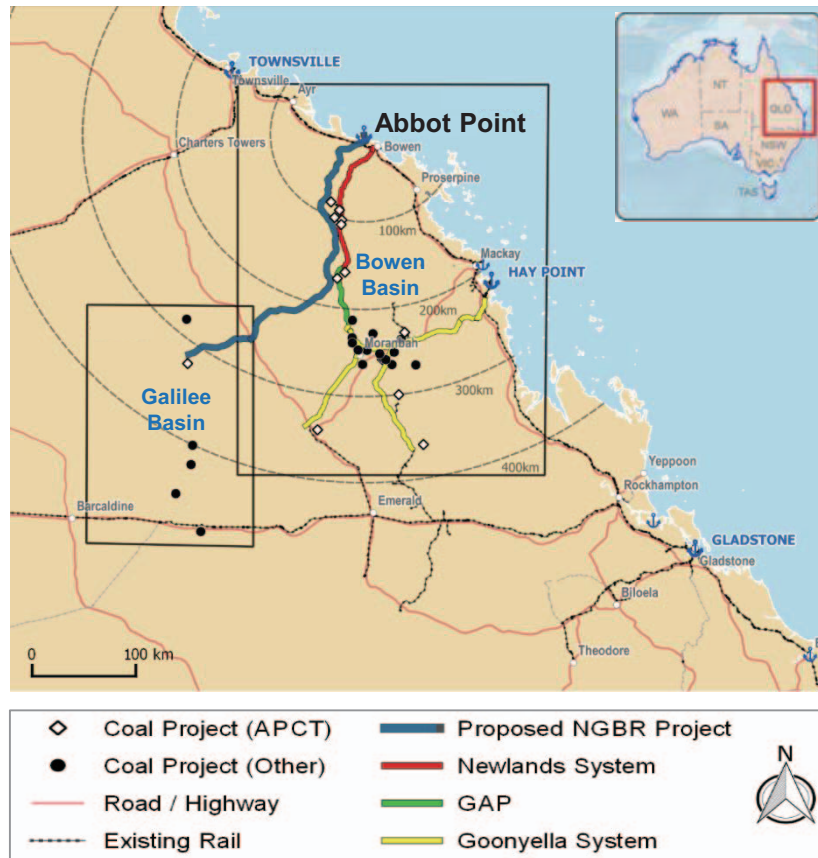
Our terminal is connected to multiple productive mines and rail systems. Approximately 52% of our users in the contractual year ending June 30, 2017 (based on contracted capacity) operated mines located on the Newlands rail system (the “**Newlands System**”), which was specifically built to transport Bowen Basin coal to the terminal. The balance of our users operate mines located in North Bowen Basin and are linked to the terminal via the GAPE rail system (the “**GAPE System**”), which includes a 69 km section of rail track known as the “Northern Missing Link” that joins the previously existing Newlands System to the previously existing Goonyella rail system (the “**Goonyella System**”). As a result of completion of the GAPE System, North Bowen Basin coal deposits that were previously stranded can now be exported through the terminal and mines located along the Goonyella System can now export through the terminal. Development of the GAPE System was sponsored by a group of key foundation users for the primary purpose of gaining access to the terminal. For more information on these rail systems, see “—Current supporting rail infrastructure” below.

Additionally, the terminal’s location means that it is geographically closer to North Asian markets than any other coal export terminal in Australia. According to the Coal Market Report, North Asian markets represented 58% and 85% of all Australian metallurgical coal and thermal coal exports, respectively, in calendar year 2016. As shipping costs for commodities such as coal are generally charged by reference to a mass or volume per distance tariff, being situated closer to coal importers should result in lower shipping costs for coal exported through the terminal than for coal exported through other ports servicing Bowen Basin miners, such as Hay Point Coal Terminal (“**HPCT**”) and Dalrymple Bay Coal Terminal (“**DBCT**”).

Potential future demand from the Galilee Basin

The terminal is also strategically important with respect to potential development projects in the Galilee Basin, an undeveloped coal basin situated to the west of the Bowen Basin. According to the Coal Market Report, the Galilee Basin contains vast deposits of thermal coal in seams up to eight meters thick. Nine projects are presently in various stages of planning and development in the Galilee Basin, including projects involving GVK Power & Infrastructure Group (whose Alpha project is estimated to have coal resources of 3bt) and Adani Mining Pty Ltd (“**Adani Mining**”) (whose Carmichael project is estimated to have 11bt of coal resources. See “—Competition” below and see also “Risk Factors—Risks related to the terminal and our operations—Competition with the terminal from proposed coal export terminals at the Port of Abbot Point or the expansion or development of other coal export terminals in North Queensland may adversely affect our business” and “Risk Factors—Risks related to the terminal and our operations”).

The map below indicates the location of the terminal, relative to coal basins and existing and proposed rail infrastructure.



Source: Adani Group

Favorable government policy outlook and low regulatory risk operating environment and jurisdiction

The terminal is also a strategically important asset given the importance of coal to the Queensland economy and the wider Australian economy. According to the Australian Government’s Department of Foreign Affairs and Trade, coal has been Australia’s second biggest export (by dollar value) for the three consecutive contractual years ending June 30, 2016. In the contractual year ending June 30, 2016, coal exports from Australia totaled A\$34.5 billion and accounted for 11.1% of all Australian exports. In Queensland, coal exports in the contractual year ending June 30, 2016 were the biggest export (by dollar value), totaling A\$16.3 billion and accounting for 34.3% of all Queensland exports. We believe that the importance of the coal sector and associated revenues, royalties and employment opportunities to the Australian and Queensland economies means that the terminal is well placed to benefit from a stable and transparent regulatory environment both at a Federal and State government level.

Australia can also generally be regarded as politically stable, well-regulated and transparent. Both Australia generally and Queensland specifically benefit from relatively clear, transparent and equitable legal and regulatory frameworks and dispute resolution processes, including in relation to property rights, contractual rights and environmental controls and considerations. This benefits both us and our users and can be contrasted with the jurisdictions where some of our users’ competitors operate (including, for instance Indonesia or Mongolia), where legal frameworks and dispute resolution processes are not clear or consistently applied and there may be a risk of nationalization of projects. See “Regulation of the Terminal” for a further discussion of the regulatory environment in which we and our users operate.

In addition, we have established a close and effective working relationship with the Queensland government, which has the main oversight of the terminal through NQBP. NQBP was the previous owner of the terminal and is now the port authority responsible for the Port of Abbot Point under the Transport Infrastructure Act 1994 (Qld). NQBP is a company owned and controlled by the Queensland government.

We service high quality, long life and low cost source mines with significant reserves

Australian coal producers and exporters, and in particular Queensland and Bowen Basin coal exporters, are well placed to compete in the international export market given their comparatively low cost metallurgical coal production. According to the Coal Market Report's coal cost analysis for global producers of metallurgical coal, the current users of the terminal fall predominantly in the second quartile of the metallurgical coal cost curve, (with the remainder in the first and third quartiles of the cost curve), meaning that their costs of producing metallurgical coal is lower than the average cost. Furthermore, metallurgical coal from the Bowen Basin is among some of the highest quality coal globally and is considered the benchmark coal in its category, with quarterly prices being set by reference to it.

The coal reserves for source mines of the users are significant. Based on the information available to us (including from the users and publicly available information) and our determinations and calculations as at March 31, 2017, the Volume Weighted Mine Life for the source mines for our users is 67.47 years.

Queensland is the largest producer of export premium low volatile hard coking coal globally, with coal from the Peak Downs region setting the benchmark for this coal. This coal forms the base of coke blends for most coke producers globally, which is required for the production of steel using the blast furnace route. Smaller amounts of coal of this quality is produced in Canada and the US. Mozambique also produces coking coal with comparable strength and volatility, however it has higher levels of phosphorus and sulfur, which are undesirable in steel making, and as a result only limited amounts of this coal can be used in coke blends. Other exporting regions tend to produce mid to high volatile hard and semi-hard coking coals as their main metallurgical coal products, which cannot fully substitute premium low volatile hard coking coal in coke blends.

Queensland is also the largest producer of export low volatile pulverized coal injection suitable type coal ("PCI"), used for reducing coke consumption in blast furnaces. Low volatile PCI is valued over other PCI coals due to its higher fixed carbon levels resulting in the highest coke replacement rates in blast furnaces, which provide the greatest cost savings. Low volatile PCI coal is also exported from Russia, Canada and the US in much lower quantities.

As Queensland coal production is centered around metallurgical coal, the majority of thermal coal produced is a secondary product from metallurgical coal production. These mines generally produce thermal coals that are higher energy and lower volatile matter than benchmark coals, as these are characteristics of metallurgical coals. This results in the average specifications of Queensland thermal coals having higher energy and lower volatile matter than the average Australian thermal coal. Higher energy coals can result in higher coal prices compared to benchmark prices. Historically, Japanese and Korean consumers have paid a market premium to secure continuous supply of these higher energy coals.

We have stable cash flows supported by fully contracted revenues payable under long-term take-or-pay User Agreements

The terminal's cash flows and cargo volumes are stable and predictable. Terminal capacity is currently contracted out to nine different users by way of take-or-pay User Agreements. The User Agreements are generally long term and provide that users must make payments to us regardless of whether they use their contracted capacity at the terminal. Additionally, these contracts allow us to pass on substantially all costs of operating the terminal, including capital expenditure, to the users. With the exception of the User Agreement with Glencore Coal Queensland, all of the User Agreements will expire after the maturity date of the Notes. But see "Risk Factors—Risks related to the terminal and our operations—We depend on a small number of users for substantially all of our revenue". The terminal benefits from a contractual regime that effectively obliges the users to provide it with a return based upon investment in the terminal assets. See "—Terminal revenue" below and "Management's Discussion and Analysis of Financial Condition and Results of Operations". TIC/TPC is reset every five years and is subject to an annual CPI based escalation over that five year review period until the next review date that TIC/TPC is determined. TIC/TPC is determined taking into account all anticipated reductions in the contracted annual tonnages for a User Agreement (including as a result of known expiration of a User Agreement) during the following review period. The five year review period mechanism allows us to reset the TIC/TPC in a manner that allows us to charge our users a price that ensures a return on our investment in the terminal, factoring in any unforeseen changes in users that occur during the prior review period.

A summary of the terms of the User Agreements and details of the current contract periods for each User Agreement are set out in this offering memorandum under the headings "Description of the Users and the User Agreements—Key terms of the User Agreements".

Additionally, operational risks associated with the terminal are largely borne by the Operator on the basis that it is contracted to operate the terminal and perform appropriate maintenance at the terminal. The User Agreements provide that our liability to any user for any delay, failure or inability to handle the user's coal is limited to circumstances in which we (and not the Operator) should be apportioned more than 95% of the responsibility for such delay, failure or inability. As we do not operate the terminal or play any part in the operation of the terminal, we believe the probability of circumstances where we could be responsible for any delay, failure or inability to handle the user's coal to be remote. Furthermore, based upon our experience working with the Operator as the operator of the terminal and the O&M Subcontract it has entered into with the O&M Subcontractor (which has a more than 30 year involvement at the terminal), we believe that the Operator has the appropriate qualifications, resources and management available to it to continue performing in that role. Additionally, even in circumstances where there is a delay, failure or inability to handle the user's coal at the terminal, the user will be contractually obliged to pay TPC.

The User Agreements also allow us to pass on capital expenditure associated with the terminal to users by including such capital expenditure in the terminal's depreciated asset value ("DAV") for the purpose of calculating TIC/TPC payable under the User Agreements. As described in detail in "Terminal revenue" below, TIC/TPC is reviewed every five years and that review takes into account any increase in the asset value of the terminal, including any capital expenditure incurred and/or forecast capital expenditure to be incurred in the next five year period. Accordingly, capital expenditure associated with the terminal will ultimately be passed on to users through the TIC/TPC.

The User Agreements also contain provisions that allow us to gather information from users for the purpose of making revenue and expenditure projections. We require each user to (a) annually provide us with an estimate of its coal handling requirements for the next three

contractual years and (b) provide us with a written request to extend the term of its User Agreement at least three years before expiration, thereby granting us time to procure new users. See further “Description of the Users and the User Agreements—Key terms of the User Agreements—Term and extension”.

Strong credit profile of underlying take-or-pay counterparties

While our revenue is ultimately linked to the robustness of global demand for coal, the take-or-pay structure of our User Agreements helps shift a substantial part of this market risk to the contracted users and any person who has provided credit support in relation to the obligations of those users. Specifically, the TPC component of our User Agreements is payable regardless of whether a user is able to find a buyer for its product. This means that we are exposed to the credit profile of our users and the provider of any credit support on behalf of our users, rather than directly to coal market risk. Additionally, the terms of certain of the User Agreements permit us to require users to provide us with the benefit of additional credit support in certain circumstances, see further “Description of the Users and the User Agreements—Key terms of the User Agreements—Credit Support”. Notwithstanding, we do have indirect exposure to coal market risk as the credit profile of our users is linked at least partly to coal market risk. See “Risk Factors—Risks related to the terminal and our operations—Market conditions required for the economic operation of the terminal, including the demand for coal, may not be maintained”.

An analysis of our current users, their ultimate parent entities and publicly available sources indicates that, for the contractual year ending June 30, 2017 for example, approximately 83% of the terminal’s contracted capacity is contracted with users that have an ultimate parent entity, or that consist of at least one joint venture participant that has an ultimate parent entity, that has an investment grade rating (e.g., BBB- or higher) from an internationally recognized rating agency. For a discussion on the users and any credit support provider of the users, see “Description of the Users and the User Agreements”. But see also “Risk Factors—Risks related to the terminal and our operations—We depend on a small number of users for substantially all of our revenue”.

Favorable coal market demand dynamics support continued mine expansion and supply growth

According to AME’s Coal Market Report, Australia is the second largest exporter of coal in the world and the world’s largest exporter of metallurgical coal with Queensland alone accounting for almost 90% of Australia’s metallurgical coal exports in calendar year 2016. Metallurgical coal is one of the primary raw materials used in the production of steel.

Based upon our understanding of the users’ mines, in the contractual year ending June 30, 2017, metallurgical coal represented 60% to 65% of the total contracted throughput for the terminal. According to AME’s Coal Market Report, our current users that produce metallurgical coal are predominantly in the first half of the production cost curve. Furthermore, metallurgical coal from the Bowen Basin is among some of the highest quality coal globally and is considered the benchmark coal in its category, with quarterly prices being set by reference to it.

According to AME’s Coal Market Report, AME expects that global demand for metallurgical coal imports will increase by 8% from 325mtpa in 2017, and continue to grow to approximately 348mtpa by 2019. Further, AME expects that global demand for thermal coal imports will increase by 6% to 1,011mtpa in 2017, and continue to grow to approximately 1,059mtpa by 2019. In the context of AME’s expected increased demand for metallurgical coal and any accompanying increased demand for thermal coal, the terminal is well placed to benefit from favorable coal market demand dynamics that indicate continued demand for export terminal infrastructure supporting coal mining activity in the Bowen Basin and any future mining developments in the Galilee Basin.

We have received requests for capacity at the terminal (from current, and prospective, users) in excess of the current uncontracted capacity of the terminal. On the basis of this unmet demand for terminal capacity, we have initiated terminal expansion feasibility studies. We will initially bear the costs associated with these feasibility studies, although we expect to be able to pass these costs on to the current, and prospective, users that have requested the additional capacity. Further, in the event that we do ultimately expand the terminal, the costs associated with these feasibility studies (and the capital works required to implement the expansion itself) will be accretive to the asset base of the terminal and will therefore factor into future TIC/TPC rates.

See “Industry Overview” for a discussion on coal supply and demand dynamics.

Strong competitive position in area of constrained infrastructure

The terminal occupies a strong competitive position in a market of constrained infrastructure. Although there is a theoretical choice between terminals, rail and other infrastructure considerations based on distance and availability of capacity tend to dominate the selection process of coal miners in the Bowen Basin, rather than the characteristics of the terminals that are competing to export the miners’ production.

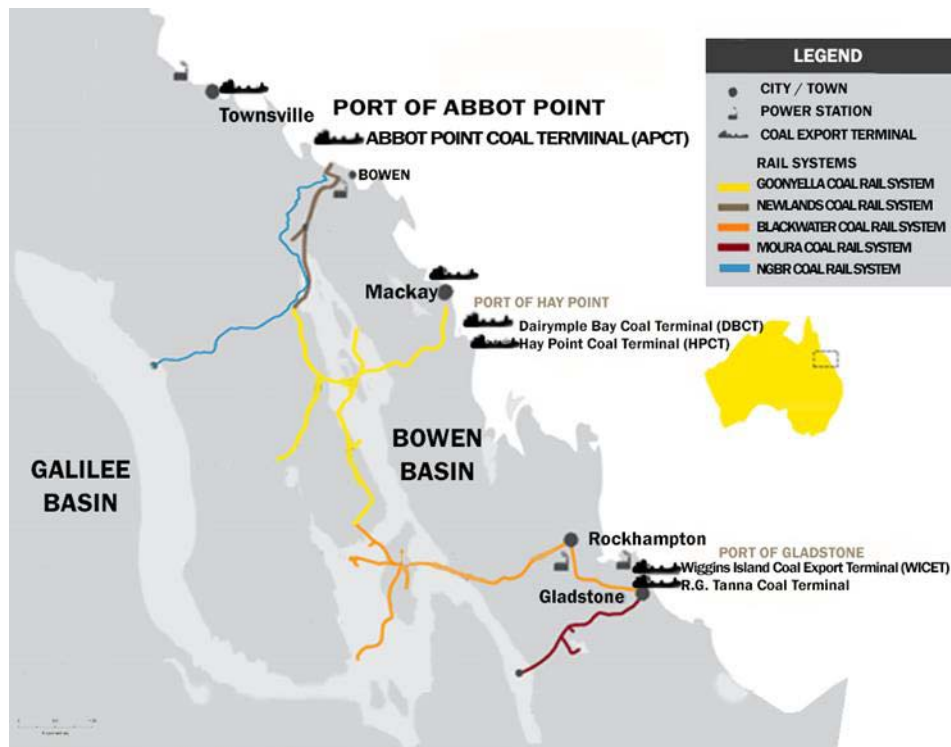
Our terminal is one of only three coal ports located along existing rail lines servicing Queensland’s most productive coal region, the Bowen Basin.

We consider that all coal mines located along the Newlands System naturally sit within the terminal’s catchment area given that rail freight is generally charged on a per kilometer basis and these mines are closer (within 200km) to the terminal than to any other currently operating competitor terminal. The fact that the Newlands System has been constructed to predominately accommodate only a single direction of cargo-flow (and is therefore effectively a unidirectional rail line) also makes it practically difficult for a miner to obtain scheduling to move coal to a more southern port, such as DBCT or HPCT.

The GAPE system linking the Newlands System with the Goonyella System also makes our terminal an attractive option for miners located in the more northern areas of the Goonyella System. In addition to considerations of proximity, the Newlands System is presently less congested than the Goonyella System, so by moving coal from the Goonyella System to the Newlands System via GAPE, miners can reduce the risk of their shipments being affected by rail bottlenecks.

Additionally, we expect port charges at our terminal to be lower than the charges at some of the new terminals that have been proposed to be developed in Queensland. Accordingly, current and potential users may have lower costs by using the terminal compared to shipping coal from these new developments. For example, the ACCC has determined the access regime for WICET, which was commissioned in 2015 as a coal export terminal with an initial nameplate capacity of 27mtpa. According to publicly available information, the capital cost of stage one (27mtpa) of the WICET terminal is estimated to be approximately A\$3.27 billion. Based on these published estimates and our experience, we believe that it is likely that WICET (and, by analogy, other new terminals that have been proposed in Queensland) would need to levy a TIC/TPC that is significantly higher than that currently charged to our users.

The map below indicates the location of the terminal in relation to existing and proposed rail infrastructure, the Bowen Basin and the Galilee Basin and other coal export terminals in the region.



Source: Adani Group

Low operating risk and straightforward operational methods

Operation of the terminal is outsourced to the Operator pursuant to the O&M Contract. The Operator is a member of the Adani Group. The Operator has sub-contracted its obligations under the O&M Contract to the O&M Subcontractor, its wholly owned subsidiary, pursuant to a long term operation and maintenance subcontract (the “**O&M Subcontract**”). The O&M Subcontractor has been continuously operating the terminal since 1984. The current term of the O&M Contract is due to expire on June 30, 2018, although the Operator has an option to extend the term of the O&M Contract up to three times, with each extension being for a period of not less than two years and not more than five years in duration. We expect the Operator will exercise its option to extend the O&M Contract prior to its expiration.

While we owe obligations to the users under the User Agreements in relation to the provision of terminal services, we discharge these obligations through the Operator’s performance under the O&M Contract. Specifically, under the O&M Contract, the Operator is responsible for providing all services necessary for the complete operation of the terminal including:

- train scheduling;
- coal handling and stockpiling;
- stacker/reclaimer operations;
- coal treatment and ship loading; and

- maintaining and repairing the terminal in accordance with good operating and maintenance practice.

Consequently, our obligation to provide terminal services to the users under the User Agreements is effectively passed through to the Operator under the O&M Contract.

In return for providing these services, under the O&M Contract, the Operator is entitled to be fully reimbursed by us for its fixed costs, variable costs and the costs of miscellaneous services which it provides, plus in each case a margin of 10%.

As a result of the relatively recent expansion of the terminal's nameplate capacity to 50mtpa, the terminal's significant plant and equipment is relatively new or newly refurbished and accordingly is likely to require relatively lower levels of maintenance in the near to medium term. The Operator has developed a "life of the asset plan" for the terminal that involves asset condition monitoring, regular scheduled maintenance, periodic major maintenance to monitor the effectiveness and economic life of major assets and strategic assessment of replacement versus upgrade.

Experienced management team and APSEZ expertise

Our management team currently responsible for liaising with the Operator and overseeing the terminal has extensive experience in operating ports, including significant experience in major port development and operations.

Additionally we may benefit from our relationship with APSEZ, which has experience with all aspects of the cargo transport/logistics value chain. Although there is currently no formal overarching arrangement in place between us and APSEZ, we believe that, should the need arise, we will be able to access APSEZ's expertise in both the operational and economic aspects of transport and logistics operations in order to assist us to make decisions about our business. Further discussion of APSEZ's expertise is set out in this offering memorandum under the heading "The Issuer, the Guarantor and the Adani Group—The Adani Group".

Our company and the Guarantor

We are a company existing under the laws of the Commonwealth of Australia and registered in the State of Queensland, Australia on March 22, 2011. Together with the Guarantor, we hold a long-term lease over, and have the right to operate, the terminal. The Guarantor is the lessee of the land upon which the terminal is located and the non-severable assets at the terminal under three 99-year Leases which commenced in June 2011. The Guarantor is a corporation existing under the laws of Australia and acting in its personal capacity and as trustee of the Trust. Mundra Port Holdings Pty Ltd was registered in the State of Queensland on April 19, 2011 and the Trust was established on April 19, 2011. See "The Issuer, the Guarantor and the Adani Group—The Adani Group".

Summary of the Principal Project Documents

The following principal project documents form the basis of our business:

- User Agreements;
- O&M Contract; and
- Leases.

Each of these documents is briefly described in turn below and more fully in “Description of the Users and the User Agreements—Key terms of the User Agreements” and “Summary Description of the Principal Project Documents”.

We allocate capacity at the terminal to users pursuant to long-term, take-or-pay User Agreements. Under the User Agreements, each user agrees to pay us for the right to present a specified tonnage of coal to the terminal and for us to provide the services required to ensure that the coal presented to the terminal is loaded onto a ship engaged by the user for export. Under these User Agreements, we are entitled to charge certain charges to each user, the nature of which is discussed above under the heading “—Terminal Revenue”.

The terminal is operated and maintained for us by the Operator pursuant to the O&M Contract. The current term of the O&M Contract has an expiry of June 30, 2018, however the Operator has options to extend up to three times with each extension being for a period of not less than two years and not greater than five years in duration. Under the O&M Contract, the Operator is obliged to operate the terminal on a day to day basis. Additionally, the Operator is obliged to maintain and repair the terminal in accordance with good operating and maintenance practice. See “Summary Description of the Principal Project Documents—Key Terms of the O&M Contract” for a description of the key terms of this arrangement. See “Description of the Operator and the O&M Subcontractor” for a description of the Operator.

The Guarantor holds leases granted by NQBP covering all of the land on which the terminal operates. Under those lease arrangements, NQBP retains ownership of the port, land and fixed infrastructure such as the jetty and the wharf but has granted the Guarantor a 99-year lease interest in the land and non-severable assets at the terminal. The Guarantor has granted us sub-leases of these leases on effectively equivalent terms, with the exception of the amount of rent payable. See “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents” for a description of the key terms of this arrangement.

THE OFFERING

The following summary highlights selected information regarding the terms of the Notes and other financing documents and is not intended to be complete. For a more complete understanding of the Notes, you should read the entire offering memorandum carefully, including “Description of the Notes” and “Description of the Collateral”.

Issuer	Adani Abbot Point Terminal Pty Ltd (ABN 93 149 298 206).
Guarantor	Mundra Port Holdings Pty Ltd (ABN 94 150 520 835) in its personal capacity and as trustee of the Mundra Port Holdings Trust.
Obligors	The Issuer and the Guarantor.
Notes offered	4.450% guaranteed senior secured notes due 2022 (the “Notes”).
Maturity date	December 15, 2022
Issue price	99.361% of principal amount plus accrued interest, if any, from December 11, 2017.
Interest rate	The Notes will bear interest at the rate of 4.450% per annum, based upon a 360-day year.
Interest payment dates	Interest on the Notes will be payable semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2018, provided that if any date determined in accordance with the foregoing is not a Business Day (as defined in connection with the terms of the Note Trust Deed and specified in “Description of the Notes—Certain definitions”), the relevant interest payment date will be postponed to the next day which is a Business Day.
Ranking	<p>The Notes will be senior secured obligations of the Issuer and will rank equally in right of payment with all of the Issuer’s existing and future senior secured obligations and senior in right of payment and priority in security to any of the Issuer’s existing and future unsecured or subordinated obligations.</p> <p>The Guarantee will be a senior secured obligation of the Guarantor and will rank equally in right of payment with all of the Guarantor’s existing and future senior secured obligations and senior in right of payment and priority in security to any of the Guarantor’s existing and future unsecured or subordinated obligations.</p>

Common Documents

Simultaneously with the issuance of the Notes, the Note Trustee will accede on behalf of Noteholders to:

- the Common Terms Deed, which contains terms and conditions that apply to all of the Issuer’s secured debt, including representations and warranties, affirmative and negative covenants and events of default and a guarantee by the Guarantor of the debts to which the Common Terms Deed applies;
- the Intercreditor Deed, which contains terms regarding the respective rights of the Issuer’s senior and subordinated creditors, including the right to take action upon an event of default or an insolvency of the Issuer or the Guarantor, the enforcement of security and the distribution of proceeds following enforcement and the basis on which votes of secured creditors will be counted; and
- the Security Trust Deed, which sets out the terms on which the Security Trustee holds security interests over the collateral for the benefit of the secured creditors of the Issuer and the Guarantor from time to time.

These agreements are referred to collectively as the “Common Documents” and are described in more detail below in “Description of the Notes—Common Terms Deed”, “Description of the Notes—Intercreditor Deed” and “Description of the Collateral—Overview—Description of the Adani Abbot Point Security Trust”.

Security

The Issuer’s obligations with respect to the Notes and the Guarantor’s obligations with respect to the Guarantee will be secured by substantially all of the Issuer’s and the Guarantor’s assets. This security is granted by the Issuer and the Guarantor under a number of Security Documents (see “Description of the Collateral—Overview—Description of the Security Documents”), and in each case is granted to BTA Institutional Services Australia Limited (the “**Security Trustee**”) who holds that security on trust, pursuant to the Security Trust Deed dated October 28, 2013, between, among others, the Issuer, the Guarantor and the Security Trustee (the “**Security Trust Deed**”), for each of the Noteholders and other secured creditors of the Issuer and the Guarantor from time to time. See further “Description of the Collateral—Overview—Description of the Adani Abbot Point Security Trust”.

Intercreditor arrangements	The Notes will be subject to the terms of the Intercreditor Deed, dated October 28, 2013 (and as amended from time to time), between, among others, the Issuer, the Guarantor, the Note Trustee and the Security Trustee (the “ Intercreditor Deed ”), which operates to regulate the interaction between various groups of secured creditors of the Issuer and the Guarantor. The Intercreditor Deed also limits remedies available to the Note Trustee and the Noteholders upon the occurrence of an Event of Default. See further “Description of the Notes—Intercreditor Deed”.
Restrictive Covenants.	The Issuer and the Guarantor, among others, are party to the Common Terms Deed dated as of October 28, 2013 (and as amended from time to time), under which the Issuer and the Guarantor have agreed to observe certain covenants, including, among other things, covenants limiting the circumstances in which the Issuer and the Guarantor can dispose of material assets, grant security interests or incur debt obligations, and covenants requiring them to provide certain information about their business, including combined financial statements. See “Description of the Notes—Common Terms Deed—Covenants”.
Use of proceeds	The net proceeds from the offering of the Notes will be used by the Issuer as described under “Use of Proceeds”.
Denomination.	The Notes will be issued in denominations of US\$200,000 and in higher integral multiples of US\$1,000 thereafter.
The offering.	In the United States, the Notes are being offered to qualified institutional buyers in reliance on Rule 144A. Outside the United States, the Notes are being offered in offshore transactions in compliance with Regulation S.
Additional amounts	In the event that certain taxes are payable in respect of payments on the Notes and/or the Guarantee, the Issuer and the Guarantors will, subject to certain exceptions, pay such additional amounts as will result, after deduction or withholding of such taxes, in the payment of the amounts which would have been payable in respect of the Notes and/or the Guarantee, respectively, had no such withholding or deduction been required. See “Description of the Notes—Taxation and Additional Amounts”.
Optional early redemption at make-whole premium.	The Notes may be redeemed at the option of the Issuer at any time, in whole or in part, on not less than 5 nor more than 60 days’ notice, at a redemption price equal to the aggregate of (1) the principal amount thereof, (2) accrued and unpaid interest to but excluding the redemption date, (3) any additional amounts as described above and (4) if the redemption date falls at least 180 days before the maturity date of the Notes being redeemed, a make-whole amount. See “Description of the Notes—Maturity and Redemption—Optional Redemption”.

<p>Optional early redemption for tax reasons.</p>	<p>All (but not less than all) of the applicable Notes may be redeemed at the option of the Issuer, at the principal amount thereof plus accrued and unpaid interest to the redemption date, in certain circumstances in which the Issuer or the Guarantor would become obligated to pay additional amounts under those Notes. See “Description of the Notes—Maturity and Redemption—Redemption for Taxation Reasons”.</p>
<p>Mandatory early redemption following a Change of Control Triggering Event</p>	<p>Under certain circumstances, upon a change of control of the Issuer or the Guarantor that is accompanied by a ratings downgrade of the Notes by all rating agencies then rating the Notes and all such downgrades being to a rating that is below investment grade, each holder of the Notes may require the Issuer to redeem all of such holder’s Notes, at 101% of the principal amount thereof plus accrued and unpaid interest and additional amounts (if any) to but excluding the redemption date, as more fully described under “Description of the Notes—Maturity and Redemption—Mandatory early redemption—Change of Control Triggering Event”.</p>
<p>Form, denomination and registration of Notes</p>	<p>It is expected that delivery of the Notes will be made on or about December 11, 2017 as described below. All Notes sold in the offering will be delivered to the Initial Purchaser against payment in immediately available funds.</p> <p>Except as described below, the Notes will be issued only in registered form without coupons, in minimum denominations of US\$200,000 and in higher integral multiples of US\$1,000 thereafter.</p> <p>The Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A will initially be represented by one or more permanent global notes in fully registered form (the “Restricted Global Notes”) and, upon issuance, will be deposited with Cede & Co as nominee for DTC and registered in the name of DTC or its nominee, for credit to an account of a direct or indirect participant in DTC, including Euroclear Bank S.A./N.V. (“Euroclear”), and Clearstream Banking, S.A. (“Clearstream”), as described under “Description of the Notes—Form of Notes”.</p> <p>The Notes sold outside the United States in offshore transactions in reliance on Regulation S will initially be represented by one or more global notes, fully registered form without interest coupons (the “Regulation S Notes”) and, together with the Restricted Global Notes, the “Global Notes”) and will be deposited with Cede & Co as nominee for DTC and registered in the name of DTC or its nominee, for credit to an account of a direct or indirect participant in DTC, including Euroclear and Clearstream.</p>

Transfer Restrictions	The Notes have not been registered under the Securities Act or any securities laws of any state in the United States and this offering memorandum has not been lodged with ASIC. The Notes are subject to restrictions on transfer. See “Transfer Restrictions”.
Listing	The Notes will not be listed or quoted on any securities exchange.
Book-Entry System	The Global Notes will be deposited with Cede & Co as nominee for DTC and registered in the name of DTC or its nominee, for credit to an account of a direct or indirect participant in DTC, including Euroclear and Clearstream.
Risk factors	Prospective purchasers of the Notes should carefully consider all of the information set forth in this offering memorandum and, in particular, the information set forth under “Risk Factors” before making an investment in the Note.
Anticipated Rating of the Notes	<p>The Issuer anticipates that the Notes will be rated BBB- by S&P and BBB- by Fitch.</p> <p>A security rating is not a recommendation to buy, sell or hold securities insofar as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for a given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances warrant. Ratings may be changed, withdrawn or suspended at any time. We are under no obligation to update information regarding such ratings should they change over time.</p>
Governing Law	<p>The Notes will be governed by English law.</p> <p>The Common Documents are governed by Queensland law.</p>
CUSIP	<p>Rule 144A Notes:00653GAB0</p> <p>Regulation S Notes:Q0102FAD7</p>
ISIN	<p>Rule 144A Notes:US00653GAB05</p> <p>Regulation S Notes:USQ0102FAD70</p>

RISK FACTORS

An investment in the Notes involves a significant degree of risk, including risks relating to the Issuer and the Guarantor, the coal mining industry, the Australian regulatory environment and the offering of the Notes. Such risks include, but are not limited to, the risks described below. You should carefully consider the risks described below, which do not necessarily appear in order of importance, and the other information contained in this offering memorandum before making an investment decision with respect to the Notes. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties that we do not know about or that we currently think are immaterial may also impair our business operations in the future. If any of these or other risks and uncertainties actually occur, our business, financial condition or operating results could be materially adversely affected. Moreover, if and to the extent that any of the risks described below materialize, they may occur in combination with other risks which would compound the adverse effect of such risks on our business, financial condition and results of operation. In that event, we may be unable to meet our obligations under the Notes and you may lose all or part of your investment in the Notes.

Risks related to the terminal and our operations

We depend on a small number of users for substantially all of our revenue. Adverse conditions that impact such users could impair their ability to meet their obligations under their respective User Agreements, or lead to an unremedied payment default, which in turn could have a material adverse effect on our business, results of operation, financial condition and cash flows

We derive substantially all of our revenues from charges paid to us by eight of our nine current users under their respective User Agreements (the contract period, and corresponding charges and revenue, for the ninth user having not yet commenced), which we apply principally towards payments under the O&M Contract, the Sub-Leases, other Principal Project Documents and for interest payments under our existing debt obligations. In fiscal 2017, fiscal 2016 and fiscal 2015, 100% of our revenue on a combined basis was derived from charges paid to us by contracted users. As such, the cash flows of our business are dependent on the contractual performance of the users and we expect that these users (or any replacement users of the terminal with long-term contracts) will continue to be the principal source of our revenues.

Because we have relatively few users, the loss of revenue from any user could have a material adverse effect on our business, financial condition or results of operations. In addition, our revenue is concentrated to a degree in certain users, which means that the loss of revenue from certain users could have a more material impact on our business, financial condition or results of operations than others. For example, in fiscal 2017, fiscal 2016 and fiscal 2015, 30%, 25% and 24% of our revenues on account of TIC/TPC were attributable to payments made by Glencore Coal Queensland. See “Industry Overview”, “Our Business—Current terminal users, User Agreements and contracted capacity” and “Description of the Users and the User Agreements—Key terms of the User Agreements” for additional information on the users and User Agreements.

The business operations of the users may be impacted by a number of factors, including adverse global and domestic economic and political conditions, rates of growth and expansion in industries with high metallurgical and thermal coal demand, reduction in global steel production, development and increasing use of alternative sources to generate power such as natural gas, oil, wind, solar, hydropower and nuclear power, environmental laws and regulations, technical difficulties and equipment failures with respect to mining and processing equipment and processing plants, loss of power supply and critical mechanical failures, industrial accidents and disputes, cost overruns, force majeure events, such as earthquakes, floods and fires and geological issues. In particular, the users are also exposed to fluctuations in the prices of global seaborne

coal, which has demonstrated considerable historical volatility. Such factors are beyond our control. Consequently, any prolonged downtime, shutdown or insolvency event with respect to an affected user could adversely affect its ability to satisfy its obligations under its User Agreement, including an unremedied payment default.

We are also exposed to the credit risk of the users. While certain of our users, including Glencore Coal Queensland, Clermont, and BHP Mitsui, are subsidiaries of large, investment grade-rated groups and/or joint ventures with investment grade rated partners including, for instance, Glencore plc, BHP Billiton and Mitsui & Co Ltd, respectively, we have no contractual recourse to those entities for any default by the affiliated users. Our other users are Lake Vermont, Byerwen, QCoal, Sonoma JV, Middlemount and Adani Mining. Further, although we have credit support in place with six of our users, three of our users are not supported by any form of credit support or guarantee from the relevant parent companies. There is no assurance that the credit support provided by Sonoma JV, Lake Vermont, Byerwen, Middlemount, Clermont and Adani Mining will be sufficient to cover any defaults by such users. Additionally, as we currently have no credit support from the parent companies of our other users, we are exposed to loss of revenue as a result of any default by such users.

In addition, the counterparties to each of the Sonoma JV and Lake Vermont User Agreements are joint ventures. Under each of these User Agreements, we have agreed that the liability of each of the joint venture participants for any financial obligation of the joint venture as a whole is several, and limited to the extent of the relevant joint venture participant's equity interests in the joint venture. As a result, for financial obligations under these User Agreements, we are exposed to the credit risk of each individual participant in the relevant joint venture with respect to such participant's share of the joint venture's obligations, rather than to an aggregated credit risk comprised of all participants in that joint venture. This does not limit our ability to terminate a User Agreement if a user (including where the user is a joint venture) does not remedy a failure to pay money within 30 days of being notified of the failure. Accordingly, if an individual participant in a joint venture were to default on its payment obligations to us under a User Agreement, we would not be able to recover the shortfall directly from the other participants in the joint venture, but may be entitled to terminate the relevant User Agreement, which may provide a commercial incentive to the other participants in the joint venture to make up the shortfall. See "Description of the Users and the User Agreements—Key terms of the User Agreements" for additional information on the User Agreements.

We are currently in arbitral proceedings with four of our nine users in connection with finalization of the TIC/TPC charges under the User Agreements that is to take effect from July 2017 and there is a risk that such charges may be reduced as a result of the arbitral proceedings with effect from July 2017

All of our User Agreements contain a mechanism that requires us to calculate TIC/TPC charges for the next five year period in accordance with a prescribed formula. The User Agreements also set out a process under which users may dispute our calculation of the TIC/TPC rate and submit that dispute to binding arbitration.

On January 10, 2017, we notified all the users that the TIC/TPC applicable on and from July 1, 2017 for the next five year review period will be A\$5.612 per tonne, compared to a weighted average TIC/TPC of A\$4.543 per tonne for the period from July 1, 2016 to June 30, 2017. All eight of our nine users that have contracted capacity during the period from July 1, 2017 to June 30, 2022 objected to our calculation of the TIC/TPC.

We have reached settlements with four of those eight users, which represent approximately 53% of contracted capacity for the year from July 1, 2017 to June 30, 2018. The remaining four users have initiated arbitral proceedings in accordance with the dispute resolution procedures prescribed by the User Agreements that are ongoing as of the date of this offering memorandum.

If the arbitrator determines that the current rate of TIC/TPC exceeds the rate allowed under the User Agreements, we will be required to reduce TIC/TPC charges applicable to the four users participating in the arbitral proceedings. The arbitrator may also make specific determinations for individual users based on their submissions or otherwise, meaning that it is possible that the TIC/TPC could vary between these users. There is no assurance that the arbitrator will decide in our favor, and the result of the arbitration will be binding on us and each participating user and is not appealable. The TIC/TPC we have agreed with two of the four users as part of the settlement for this five year period will be adjusted if a lower amount is agreed with another user or determined pursuant to arbitration. The TIC/TPC agreed with the other users with which we have reached a settlement is not adjusted to reflect the TIC/TPC determined by the arbitrator and so may differ between users. For the contractual year ending June 30, 2018, for every 10 cent reduction by the arbitrator in the TIC/TPC we are allowed to charge the users, we expect there could be a corresponding A\$1.9 million decrease in our revenue for such period, based on the contracted tonnage of the relevant users during that time. Accordingly, any determination by the arbitrator reducing the TIC/TPC charge would result in us receiving less revenue in the future than we currently anticipate, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition to reducing our anticipated cash flow, any reduction in the current rate of TIC/TPC by the arbitrator would result in us being obliged to pay to each user involved in the arbitration the difference between the amounts it has paid under the current TIC/TPC rate since July 1, 2017 and the amounts they would have paid at the rate determined by the arbitrator. This payment requirement may affect our cash flow and will either be set-off against any TPC payable by the user at the end of the contractual year or, if no TPC is payable by the user at the time at which we are required to make the relevant payment, we will refund such difference to the user from our revenues. We currently have no funds set aside to make any refunds to users as we expect that each user will be required to pay TPC at the end of the contractual year that is greater than any payment we would be required to make on account of a reduction in the TIC/TPC charge. However, if we are required to pay a refund as a result of the outcome of the arbitral proceedings, any such payment would decrease the funds available to us to continue to meet our operating expenses and other obligations, including our payment obligations under the Notes.

The current arbitral proceedings highlight the fact that, although the User Agreements contain a mechanism whereby we are allowed to determine and charge the TIC/TPC charges, we may not be able to impose the charge that we believe is allowed under the pricing methodology contained in the User Agreements. We may experience similar difficulties in subsequent Review periods including the Review period beginning July 1, 2022. Further details of the formula used to determine the TIC/TPC as part of each five year review are set out in “Our Business—Terminal revenue” and Appendix B.

Further discussion of our right to increase TIC/TPC is set out in “Description of the Users and the User Agreements—Key terms of the User Agreements—Charges”.

We are currently in a dispute with six of our users in relation to the fixed and variable handling charges to be charged by the Operator in relation to the contract year ending June 30, 2018

In June 2017, we notified our users as to the proposed HCF and HCV to be imposed by the Operator in relation to the terminal operations for the contract year ending June 30, 2018. Six of our users have notified us that they dispute the relevant calculations (or at least some portion of them). The grounds for the disputes are that the relevant charges do not represent a reasonable charge having regard to the efficient operation of the terminal as required under each user agreement (or that we have not provided sufficient evidence to establish this), that the calculation of the annual relevant tonnage in determining the HCF and HCV is not correct and/or in the case of one user that the cap on its HCF and HCV for contract year ending June 30, 2018 has not been correctly applied.

As at the date of this offering memorandum, we are participating in the dispute resolution process as contemplated by the User Agreements in relation to these matters. Until the dispute is resolved, four of our users have indicated that they will pay 50% of the HCF and HCV advised to them and the remaining two disputing users have indicated that they will pay approximately 94% of the HCF advised to them and 100% of the HCV advised to them. We have reduced our payments to the Operator to the same extent.

If the dispute is ultimately resolved in favor of the users, we may be required to reimburse the users for any excess amounts of HCF or HCV that they have paid to us in relation to the contract year ending June 30, 2018 prior to resolution of the dispute. The quantum of any such reimbursement will depend on the outcome of the dispute resolution process. As we will have paid the relevant amounts to the Operator under the O&M Contract, if the conclusion of the dispute resolution process is that the reimbursement is required to be paid to the users, we will need to fund that reimbursement from our operating cashflows.

Non-Renewal of our existing contracts without replacement could have a material adverse effect on our business, results of operations, financial condition and cash flows

One or more User Agreements may not be renewed upon expiry or may be renewed but for a materially lower contracted capacity. There may be a very limited number of potential customers to replace a departing user or to take up available capacity at the terminal, and therefore, if a User Agreement were not to be renewed or were to be renewed but for a materially lower contracted capacity, there would be a substantial risk that we would not be able to find a new user to take up the resulting available capacity at the terminal in whole or in part in a timely fashion or at all.

Although the TIC/TPC formula takes into account all contracted reductions in the annual tonnages for each User Agreement (including as a result of expiration of a User Agreement or a reduction in contracted capacity), if the relevant contracted capacity of the User Agreement is not allocated to another party, this may result in an increase in the TIC/TPC for the other users then contracted with us. An increase in the TIC/TPC may result in other users not re-contracting with us, if those users have access to other terminals (including access to below rail and above rail services) with lower total costs. Failure to have the existing contracts renewed (including renewal for a materially lower contracted capacity) and not finding a new user to take up any such available capacity at the terminal may have a material adverse impact on our business, financial condition and results of operations which, in turn, may reduce our ability to meet our payment obligations under the Notes.

Termination of a User Agreement without replacement could reduce our revenue and amounts available to us which could have a material adverse effect on our business, results of operations, financial condition and cash flows

One or more User Agreements could be terminated prior to their scheduled expiry date either at our election due to the default of a user (for example, as a result of the user's failure to make payments or the user's insolvency) or at the election of a user due to our default (for example, as a result of our failure to make any reimbursement due to a user under the User Agreement). There may be a very limited number of potential customers to replace a departing user, and therefore, if a User Agreement were to be terminated, there would be a substantial risk that we would not be able to replace the departing user in whole or in part in a timely fashion or at all. Failure to replace any of our users following a termination of a User Agreement prior to its scheduled expiry date in whole or in part may temporarily have a material adverse impact on our business, financial condition and results of operations which, in turn, may reduce our ability to meet our payment obligations under the Notes.

Although the TIC/TPC formula takes into account all contracted reductions in the annual tonnages for a User Agreement (including as a result of expiration of a User Agreement) during the relevant review period, because of its forward looking nature, the mechanism does not take

into account reductions of tonnages that occur during a review period and that were not contracted at the relevant review date. For example, the mechanism will not take into account reductions of annual tonnages for a User Agreement that terminates as a consequence of a default by a user after the relevant review date. Accordingly, as review dates only occur once every five years (with the next review date scheduled for July 1, 2022), any anticipated expiration or termination of a User Agreement without replacement prior to that time may reduce our revenues and the amount of cash we have available to pay our operating expenses and other obligations, including payments under the Notes, for the remaining duration of the review period. In addition, in these circumstances if the relevant contracted capacity of the terminated User Agreement is not allocated to another party, this may result in an increase in the TIC/TPC for the next review period. An increase in the TIC/TPC may result in other users not re-contracting with us, if those users have access to other terminals (including access to below rail and above rail services) with lower total costs. See “We are exposed to liquidity risk in relation to payments from users under the User Agreements” below.

As our obligations to make payments to the Operator under the O&M Contract are not conditional on our receipt of payment from the users, any reduction in our revenues under the User Agreements for the reasons discussed above or for any other reason may result in us not being able to make timely payments under the O&M Contract, which could lead to the termination of the O&M Contract.

We depend on the Operator to operate and maintain the terminal on our behalf

We depend on the Operator to operate and maintain the terminal on our behalf and provide the handling services to the users which are the source of substantially all of our revenue. We do not undertake any operational activities ourselves and rely on the Operator to ensure that all critical operations and maintenance services are performed with respect to the terminal, including the handling of coal as required under the User Agreements, providing the services necessary to ensure that the Guarantor complies with its obligations under the Leases and operating and maintaining the terminal to ensure that it maintains operational capacity. The Operator does not undertake any operational activities itself and relies on the O&M Subcontractor to perform all critical operations and maintenance services with respect to the terminal.

If the O&M Contract is terminated or the Operator does not perform any of its obligations under the O&M Contract and we determine it should be replaced, or if the O&M Subcontract is terminated or the O&M Subcontractor does not perform any of its obligations under the O&M Subcontract and the Operator determines it should be replaced, our ability to ensure that the needs of our users are met may be materially and adversely affected. Specifically, there is a risk that we will not be able to replace the Operator (or that the Operator will be able to replace the O&M Subcontractor) with an appropriately qualified or reliable operator or that we (or the Operator) will be able to do so promptly to ensure the continuous operation and maintenance of the terminal. There is a risk that we (or the Operator) may not be able to appoint a new operator (or subcontractor) of the terminal in a timely fashion, on favorable terms or at all.

Additionally, investors should be aware that the Operator and O&M Subcontractor are both members of the Adani Group. Although the terms of the Secured Documents permit us to replace the Operator from time to time with an affiliate of the Adani Group following any of the circumstances discussed in the preceding paragraph provided that the affiliate has the necessary experience and financial, legal and technical capacity and ability to perform the role and is engaged on arm’s length commercial terms that are materially the same as the existing O&M Contract, the Secured Documents do not require any such affiliate of the Adani Group to participate in a competitive tender process or have the arrangements evaluated by an independent technical expert. Accordingly, any replacement Operator may not perform to the standard of the current Operator and the terms of such O&M Contract may not be on as favorable terms as they would be if the contract was subject to a competitive tender process.

In such circumstances, we may be entitled to make a claim for our losses against the Operator under its indemnity in the O&M Contract. Further, investors should be further aware that while we are ultimately dependent upon the O&M Subcontractor to operate the terminal, we have no direct contractual recourse to the O&M Subcontractor as we are not a party to the O&M Subcontract and accordingly we would have no claim against it for our losses. Accordingly there is a risk that, because of the Operator's insolvency or poor credit, we will not be able to recover some or all of such losses from the Operator.

We are exposed to the risk of certain operational disruptions outside our control, including force majeure events

The operation and maintenance of the terminal are subject to operational risks and disruptions, including technical difficulties, including with respect to automated systems, information technology and equipment failures, labor disputes affecting the Operator or O&M Subcontractor or by catastrophic events such as floods, earthquakes, cyclones, tsunamis or other similar force majeure events that are beyond our control and for which we have limited insurance coverage as described in "Our Business—Insurance". There is a risk that such events could materially reduce revenues generated by the terminal or materially increase the expense of operating and maintaining the terminal.

The O&M Contract contains a mechanism for determining amounts payable by us to the Operator during and after certain force majeure events that may be passed through to the users under the User Agreements. See "Summary Description of the Principal Project Documents—Key Terms of the O&M Contract—Force majeure". However, there is a risk that, following the occurrence of a force majeure event, we may be required under the User Agreements to continue to provide handling services and access to the terminal to the users, notwithstanding that the Operator's obligation to provide such services under the O&M Contract has been suspended because it has been affected by such event. This could result in us being in default under the User Agreements, which in turn could result in claims against us by the users in very limited circumstances where it has been determined that we are primarily responsible or, if we have not remedied or commenced to remedy the situation within 60 days after notice being given to us requiring that we remedy such default, in the termination of the User Agreements. There is also a risk that in such circumstances the users may refuse, in breach of their User Agreements, to make required payments to us during the period of our non-performance, particularly if there is a dispute as to whether a force majeure event has occurred under the terms of the User Agreements. In such event, the terminal may not generate sufficient revenue for us to be able to meet our operating expenses and other obligations, and may also result in a material adverse effect on our business, results of operation, financial condition and cash flows, including on the Guarantor's obligation to make payments under the Leases, which may in turn lead to termination of such Leases.

We depend on other third party providers of services and infrastructure

We depend on certain third party infrastructure and service providers without which we cannot operate the terminal. There is a risk that demand for capacity at the terminal may be reduced as a result of issues affecting the efficacy or performance of the third party infrastructure and services necessary for users to be able to present coal at the terminal. For example, our business and the users rely upon:

- railway infrastructure owned and operated by Aurizon Holdings Limited ("**Aurizon**") that connects the terminal to the users' mines and operations;

- rail haulage operators, primarily Aurizon and Pacific National (“**Pacific National**”), that haul the users’ coal from their mines to the terminal; and
- shipping operators engaged by the users to ship their coal from the terminal to their respective export destinations.

The terminal relies on a third party provider, Ergon Energy Corporation Limited (“**Ergon Energy**”), for its electricity pursuant to a contract with the Operator. Ergon Energy is responsible for connecting the terminal to an electricity distribution network owned and operated by Ergon Energy and supplying electricity up to an amount of 10 megawatts to the terminal. The terminal relies on a constant electricity supply to conduct its operations. There is a risk that any power outages or brown-outs could harm the continued operation of the terminal and result in delays for the users. These third party providers may experience operational disruptions for a variety of reasons, including labor disputes and claims, financial/liquidity problems, delays or poor performance that may be beyond our control. Rail services may be affected by unavailability of track access due to weather events or train derailment, unavailability of rollingstock due to driver availability, changes in regulation, and allocation of capacity to other supply chains. If such third party infrastructure and services cease to be operational, maintained as expected or are suspended for an extended period of time, we may be unable to operate the terminal at full capacity, or at all, and users may experience delays or be unable to deliver their coal to the terminal for loading, and we may incur additional costs to address failures of third party providers.

Under the User Agreements, users are entitled to claim compensation from us for certain delays, although our liability is limited to the amount we are able to recover from the Operator, unless we are solely or primarily responsible for the delay. See “Description of the Users and the User Agreements—Key terms of the User Agreements—Delays”.

Delays, reduced throughput or additional costs, or users’ perception that the performance of the terminal is not reliable, may make it operationally or economically unfeasible for users to ship coal through the terminal and accordingly, there is a risk that users may not renew or extend their existing User Agreements, or that potential new users may not seek to enter into User Agreements with us. The loss of any of our users or the failure to obtain new users may have a material adverse impact on our business, financial condition and results of operations which, in turn, may reduce our ability to meet our payment obligations under the Notes.

Competition with the terminal from proposed coal export terminals at the Port of Abbot Point or the expansion or development of other coal export terminals in North Queensland may adversely affect our business

A number of proposed coal export terminal developments and expansions are reportedly in varying stages of planning and approvals in North Queensland. Proposed coal export terminal developments at Abbot Point itself include the Adani Group’s own proposed T0 Terminal coal export terminal development at the Port of Abbot Point (“**T0 Terminal**”) (a proposed development plan for 70mtpa capacity) and Abbot Point Coal Terminal T3 (a proposed GVK/Hancock port development with a proposed development plan for 60mtpa capacity). Elsewhere in North Queensland, there is a proposed further Hay Point Coal Terminal (“**HPCT**”) expansion (a proposed expansion plan to increase capacity by 20mtpa), a plan to expand RG Tanna Coal Terminal (a proposed development plan to increase capacity by 15-25mtpa) and a plan to expand the Wiggins Island Coal Terminal (a proposed expansion plan to increase capacity by 93mtpa).

For further details on these proposed developments, see “Our Business—Competition”. It is unclear whether and when these developments will proceed to construction, but if any of these proposed coal export terminal developments are completed, they may operate in competition with the terminal which may have a material adverse effect on our business, results of operations, financial condition and cash flows, which may reduce our ability to meet our payment obligations under the Notes.

Although our existing users are party to long-term take-or-pay User Agreements, on the planned expiry or early termination of such User Agreements, competition from any completed coal export terminal developments at the Port of Abbot Point or from other coal export terminals in Queensland may result in one or more users choosing not to renew the User Agreement on the planned expiry of the current term or a reduction of demand from existing users for capacity at the terminal upon renewal of the User Agreement post the planned expiry of the current User Agreement if existing users elect to use capacity of those expansion terminals rather than the terminal. For example, these existing terminals and proposed new terminals may have an impact upon Glencore Coal Queensland's renewal of its User Agreement with us post-2020 and our ability to retain other users after their currently contracted commitment with the terminal expires. Competition from the proposed or existing coal export terminals may also inhibit our ability to attract new users to the terminal if our charges are higher than those being charged at competitor terminals, including if our competitors will accept lower returns in order to attract customers by offering lower charges than ours.

This may require us to reconsider our charges and reduce the rate of return we will receive from the terminal. As such, there is a risk that competition may materially and adversely affect our business, financial position and results of operations and affect our ability to meet our operating expenses and other obligations, including our payment obligations under the Notes.

We are exposed to liquidity risk in relation to payments from users under the User Agreements

Under the User Agreements, users are only obliged to pay us TPC in arrears and any catch up payments in relation to HCF or HCV at the end of each contractual year, while we are required to make payments to the Operator and our creditors more frequently. For example under the O&M Contract we are required to make payments to the Operator on a monthly basis and any catch up payments on account of operating expenses on a quarterly basis (although, with the consent of the Operator, our current practice is to make these catch-up payments on an annual basis) and under the Notes, interest payments are due semi-annually. Where a user either elects not to, or cannot, deliver coal to the terminal in an amount equal to its contracted capacity, the proportion of TPC to other charges payable by that user under its User Agreement will increase. In fiscal 2017, fiscal 2016 and fiscal 2015, 30.2% (representing 16.72mt), 35.6% (representing 23.02mt) and 32.9% (representing 20.15mt) of our total revenue, respectively, was derived from TPC payments from the users.

Additionally, following the expiration or termination of a User Agreement, the User Agreements provide a mechanism whereby we are entitled to increase TIC/TPC on the next review date to obtain additional payments from the remaining users. However, such review dates only occur once every five years (with the next review date scheduled for July 1, 2022). Accordingly, any expiration or termination of a User Agreement without replacement may lead to a temporary shortfall in TIC/TPC payments we currently expect to receive under the User Agreements prior to the next review date, which may in turn limit our ability to meet our payment obligations under the Notes.

Further, any service which we are required to provide to the users under a User Agreement is passed through by us to the Operator under the O&M Contract such that the Operator must provide that service to the users on our behalf. Accordingly, in the event of a dispute between us and the users in relation to a service, we will be entitled to raise an analogous dispute with the Operator. While the User Agreements and the O&M Contract contain similar dispute resolution provisions, there are some differences in, among other things, the timing between the various stages of the dispute resolution process creating a risk that an unfavorable dispute determination under the O&M Contract may require us to make a payment to the users without a corresponding payment by the Operator to us and there could be delays between when we are required to make a payment and when we are entitled to receive a payment, in each case which could result in our

financial position being less liquid than it otherwise would have been and may also result in a material adverse effect on our business, results of operation, financial condition and cash flows. See further “Description of the Users and the User Agreements—Key terms of the User Agreements—Dispute resolution”.

Our business depends on our ability to maintain our Sub-Leases and the Guarantor’s ability to maintain the Leases over the terminal

We occupy the terminal site pursuant to the terms of the Guarantor’s three 99-year Leases with NQBP and our Sub-Leases with the Guarantor. The terminal assets leased to the Guarantor under the Leases (and to us under the Sub-Leases) are key assets of our business and our ability to operate our business could be materially adversely impacted if the Leases were to be terminated by NQBP or the Sub-Leases were terminated by the Guarantor.

The Guarantor’s Leases are subject to certain conditions, including a requirement to use the terminal site as a bulk cargo and commodity export terminal, a requirement to maintain insurances and authorizations and to manage and maintain the terminal site. Our failure to comply with those conditions may result in a breach of the Lease terms and termination of the Leases. Termination of the Leases will also result in automatic termination of our Sub-Leases. If the Guarantor breaches the terms of the Leases and that breach leads to the Guarantor being required to make a payment under the indemnity provisions contained in the Leases to cover any loss suffered by NQBP as a result of that breach, or that breach leads to the termination of the Leases, we and the Guarantor may no longer have the right to possess the land or operate the terminal, and may not be able to provide services to the users and our financial and operating results would be materially and adversely affected. In such circumstances it is likely that the users will withhold payment or, if we have not remedied or commenced to remedy the situation within 60 days of notice being given to us requiring that we remedy such breach, terminate the User Agreements for our breach and we may not have sufficient funds to satisfy our payment obligations under the Notes. The User Agreements do not require us to pay users termination payments following any such termination, although users may be entitled to claim for damages for breach of contract in accordance with applicable law.

The Leases can be terminated by NQBP in certain circumstances, including for payment default by the Guarantor or its insolvency, following a change of control of the Guarantor, which could occur without our consent (see “—We are ultimately controlled by an affiliate of the Adani Group that exercises control over our affairs and policies and whose interests may be different from yours” below), for loss of any authorization that is required for the operation of the terminal or if the Guarantor uses the leased land for any purpose other than operating the terminal.

The Guarantor’s obligations to make payments to NQBP under the Leases are not conditional upon receipt of payments under the Sub-Leases from us and any reduction in our revenues under the User Agreements for any reason may result in us paying minimal rent under the Sub-Leases and accordingly, the Guarantor, which has no material source of funds other than our rental payments under the Sub-Leases, may not have sufficient funds to make timely payments to the lessor under the Leases, which could lead to a termination of the Leases. See “Summary Description of the Principal Project Documents” for further details. NQBP’s rights to terminate the Leases are generally subject to various thresholds and cure periods, but there can be no guarantee that the Guarantor would be able to cure a breach within the specified time period or at all. Under the Tripartite Deed, which forms part of the Collateral securing our payment obligations under the Notes, the Security Trustee also has certain cure rights in relation to termination events under the Leases, but there can be no guarantee that the Security Trustee will be able to cure any default within the specified time period or at all.

Upon termination of the Leases, NQBP must conduct a sale process for the terminal assets or obtain a valuation of the terminal assets, and the proceeds of the sale or the amount of the valuation (as applicable) must be paid to the Security Trustee to be applied against amounts owing

under the Secured Documents (including the Notes). Any valuation process must be carried out by an expert independent valuer agreed to by both the Guarantor and NQBP and is to be based upon the market price for the relevant assets, or if there is no market price, the best price that could be obtained based upon certain assumptions specified in “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Leases—Tripartite Deed”. There is a risk that there would be no purchasers for the terminal assets or that the proceeds of any sale, or any payment determined by reference to the valuation obtained by NQBP, would be insufficient to repay the Notes.

On termination, NQBP also has a call option to purchase all of our and the Guarantor’s non-real property assets relating to the terminal and its operation, but there is no guarantee that a good or the best possible price will be obtained or that such amounts would be sufficient to repay our obligations under the Notes.

See “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Leases” and “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Leases—Tripartite Deed” for further details.

Certain parts of the terminal are subject to potential compulsory acquisition, which may result in a loss of our rights to the subject land and cause interruptions to the terminal and result in an Event of Default under our financing agreements

In addition, we have received a notice of intention to resume certain parts of the land presently covered by the Leases and Subleases, including land on which operating aspects of the terminal are situated, which was issued by the Coordinator-General of Queensland. The Coordinator-General has indicated that this notice is the first step in a process of compulsorily acquiring the relevant land, which the Coordinator-General has indicated will facilitate the development of a rail infrastructure corridor to Abbot Point, by a member of the Adani Group. We do not have any certainty as to when any such resumption of land will occur. We are in discussions with the Coordinator-General with respect to the grant of a license by the Coordinator-General in favor of the Guarantor and the Issuer over the relevant land to be resumed and with the proposed developer of the rail infrastructure with respect to the terms of an interface deed to regulate the terms of their access to the relevant land. If the license from the Coordinator-General is not granted by the date on which the resumption of land is effective, we will lose our rights to access that land which may result in interruptions to the terminal and may result in an Event of Default under our financing arrangements. If we are not able to agree the terms of the interface deed with the proposed developer of the rail infrastructure, there is a risk that construction or operational activities of that proposed developer near the terminal may interrupt the operation of the terminal.

See “Our Business—Legal Proceedings” for further details.

The Shareholder Loan granted by us to AAPT Holdings may not be repaid at any time in the future and, as such, investors should not consider it to be one of our assets or within our capitalization

On March 26, 2012, we entered into an agreement (the “**Shareholder Loan Agreement**”) under which Adani Abbot Point Terminal Holdings Pty Ltd (“**AAPT Holdings**”) has, as at March 31, 2017, borrowed A\$334,870,000 from us (the “**Shareholder Loan**”). As consideration for AAPT Holdings’ acquisition of shares in our company and at the direction of Mundra Port Pty Ltd (“**MPPL**”), AAPT Holdings applied the Shareholder Loan proceeds toward repayment of an amount outstanding under the bridge financing incurred by MPPL in relation to the acquisition of

the terminal. Although the Shareholder Loan Agreement originally required repayment by AAPT Holdings ten years from the date that the Shareholder Loan was made, we entered into an amendment to the Shareholder Loan Agreement on March 31, 2012 whereby the Shareholder Loan became payable on demand only when sufficient funds are available with AAPT Holdings.

While the Shareholder Loan is considered as an asset in our Financial Statements and/or our Combined Financial Information included elsewhere in this offering memorandum and is regarded as recoverable, it is unlikely to be repaid by AAPT Holdings in the normal course of its business during the period that the Notes are outstanding. Accordingly, investors should disregard the Shareholder Loan in making any decisions with respect to whether or not to invest in the Notes and assessing our ability to repay the Notes. Additionally, although our rights in relation to the Shareholder Loan form part of the Collateral, investors should not anticipate that AAPT Holdings will be in a position to repay the Shareholder Loan should repayment be demanded as part of any enforcement action taken following an Event of Default. In the event that the Shareholder Loan is ultimately repaid by way of set-off against a return of shareholder capital, our financial statements will reflect a reduction of shareholder capital (through a debit entry in the capital account) and a corresponding reduction in the Shareholder Loan (through a credit entry in the asset account). The terms of the Notes do not prevent or limit any such set-off by us. See “Certain Relationships and Related-Party Transactions—Shareholder Loan”.

There is a risk that the Queensland or Australian Federal Governments may impose new regulations or amend regulations which currently apply to the terminal and which may adversely affect our business

Our operations are subject to a variety of general and industry specific regulations and legislation concerning the environment, health and safety of employees land access, infrastructure creation and access, taxation, accounting policies, competition and other matters. See “Regulation of the Terminal”. A breach of the regulations to which we are subject may result in the imposition of fines and penalties or the suspension or closure of our terminal infrastructure. There can be no assurance that a governmental agency in Australia will not impose new or amended regulations, or conduct an audit, or that existing or future legislation and regulation will not require material expenditures by us or otherwise have a material adverse effect on our financial condition or our results of operations, which in turn could have an adverse impact on the level of revenues collected with respect to the terminal thereby affecting our ability to meet our obligations under the Notes.

In addition, operation of the terminal relies on governmental licenses, permits and authorizations that are generally complex and may result in disputes over interpretation or enforceability. There are many Australian Federal, State and local laws and regulations applicable to the terminal that may require us or other parties involved in the operation of the terminal to apply for licenses, permits or authorizations from governmental agencies that may be slow to act and may require us to expend significant time and cost. Non-compliance with these laws and regulations, whether by us, the Guarantor or the Operator, may result in penalties, fines or the temporary or permanent curtailment or cessation of operations of the terminal. In addition, governmental licenses, permits or authorizations may be issued with conditions or requirements that may be difficult to fulfill. See “Regulation of the Terminal”.

No assurance can be made that all required governmental permits or authorizations will be maintained, renewed or obtained. In the future, additional regulatory approvals may be required for the operation of the terminal due to changes in laws, regulations and standards or for other reasons. In addition, land use zoning, regulatory, environmental, health and safety laws and regulations are subject to periodic amendment. Accordingly, no assurance can be provided that such laws or regulations will not be changed, amended or reinterpreted or that new laws and regulations will not be adopted and our costs of complying with future laws or regulations may require us to incur materially higher costs. If we are required to incur any such higher costs, we

would be ultimately be entitled to pass them on to users under the terms of the User Agreements, see “Our Business—Terminal revenue”. However, users may contest such an increase in charges, particularly if it arises from a failure of appropriate compliance controls at the terminal, and any increase in charges may make our terminal less competitive.

There is a risk that the terminal may become subject to Queensland or Australian Federal Governments anti-trust legislation

At present, the terminal is not subject to access or pricing regulation under the relevant State or Federal anti-trust legislation. There is a risk, however, that in the future the terminal may be ‘declared’ under either of these regimes, the effect of which will be that the terminal is subject to access and/or pricing regulation. The Federal Government has proposed reforms to the National Access Regime, which governs Federal declaration criteria. The reforms include changes to the declaration criteria that must be satisfied before a service may be declared. We note that there are certain ongoing proceedings with respect to declaration of the Port of Newcastle and certain other potential judicial proceedings that may provide further guidance on the declaration criteria. See “Regulation of the Terminal—Access and Anti-Trust Regulation” for a more detailed discussion, including a discussion of recent updates with respect to declaration criteria.

We believe that the methodology we currently use to determine certain components of the terminal charges payable under the User Agreements—specifically, certain of our Weighted Average Cost of Capital (“WACC”) parameters—is substantially the same as the methodology used by the Dalrymple Bay Coal Terminal (“DBCT”), which is currently regulated under the Queensland anti-trust legislation. See also “Our Business—Terminal revenue”. Accordingly, we believe that if the terminal were to be so regulated, there will not be a material difference in the prices that we are entitled to charge users. However, we do not have certainty as to how our terminal charges (or even our Handling Charges) may be affected if we were to become subject to access or pricing regulation under either the State or Federal regimes. As such, there is a risk that our revenues could be materially adversely affected by the imposition of such State or Federal anti-trust regimes on us, which could in turn materially and adversely affect our business, financial position and results of operations as well as affect our ability to meet our operating expenses and other obligations, including our payment obligations under the Notes. See “Regulation of the Terminal—Access and Anti-Trust Regulation” for a more detailed discussion, including a discussion of how the terminal’s pricing methodology compares to that of DBCT.

Based on our analysis of the pricing determinations made at DBCT and our own terminal charge structure and based upon the fact that there are other terminals currently operating and at various stages of planning and development in the vicinity of the Bowen Basin mining region, we currently believe that it is unlikely the Queensland or Australian Federal Government would seek to impose access or pricing regulation on us. However, there can be no assurance that the current regulatory climate will not change in the future. As of the date of this offering memorandum, we have not received any notice or had any communications with relevant regulators that indicate that such access or pricing regulation is threatened or imminent but you should be aware that any such regulation would not result in an Event of Default under the Notes.

Claims made against other Adani Group companies or their officers and directors could harm our reputation.

Other companies within the Adani Group and their officers and directors are from time to time involved in claims, investigations, litigation and regulatory and other proceedings related to the conduct of their businesses, including environmental claims, proceedings relating to abuse of market position, tax disputes and proceedings involving securities dealings by other Adani Group companies and/or their officers and directors.

A number of Adani Group companies are currently the subject of “show cause” notices issued by the Indian Directorate of Revenue Intelligence (the “DRI”) alleging violations of the Indian Customs Act. Allegations include that Adani Group entities engaged in fraud and the illegal offshoring of funds in connection with wrongly claimed benefits under export promotion schemes for diamond and gold imports and exports and inflation of the value of invoices for machinery and equipment purchased from offshore entities associated with a member of the Adani family. The

notices also extend to conduct by certain officers and directors of the Adani Group and in the case of the diamond and gold allegations, a director of ours who was previously employed by another member of the Adani Group. The adjudication branch of the DRI has previously resolved in the Adani Group's favor other show cause notices involving similar allegations. However, there can be no assurance that the outstanding matters will be adjudicated in the Adani Group's favor and the DRI may appeal the findings of the adjudication branch in respect of previously resolved matters. In addition, we are aware of reports that the DRI is investigating allegations that Adani Group companies (along with a number of other Indian coal importers) inflated the value of coal imports from Indonesia in order to shift profits to low tax jurisdictions.

Even though these and other such matters may have no direct connection with our business and management and may carry no risk of legal liability for us, they may harm our reputation because we are a member of the Adani Group, particularly if there is an adverse judgment against an Adani Group member or its officers or directors. Damage to our reputation could affect the way that business counterparties, financiers and governments deal with us in the future, and could therefore affect our business, financial condition and results of operations, including our ability to refinance debt.

Any future changes to industrial relations laws or our contractors' inability to reach workplace agreements with their employees could adversely affect our business and our financial performance

Any changes in industrial and labor relations laws are subject to change and could affect our operations. Industrial and labor relations reforms may result in trade unions having greater rights to gain entry to work sites, to enroll employees of our contractors as members, and to compel our contractors to engage in collective bargaining processes. For example, under Australian legislation, employees and their representatives (trade unions) are able to organize and initiate lawful "protected" industrial action in support of claims for new workplace agreements. The potential for inter-union demarcation disputes, which could adversely impact on employers' operations may also increase. Any future regulatory reforms may also increase the minimum conditions and pay levels that must be provided to all employees by our contractors. This may constrain the ability of our contractors to complete maintenance projects or operations on time and increase the cost of capital expenditure required for the terminal which could materially and adversely affect our business, results of operations, financial position and cash flows and affect our ability to meet our operating expenses and other obligations, including our payment obligations under the Notes.

We are subject to strict environmental regulations that could impose significant costs or liabilities on us

The operation of the terminal is subject to a wide variety of federal, state and local laws and regulations dealing with environmental and planning matters. These laws regulate the contamination of the land by environmental contaminants and require us, among other things, to prevent and minimize air, water and soil pollution. A breach of the environmental laws, rules or regulations to which we are subject may result in the imposition of fines and penalties or the suspension or closure of the terminal, which could adversely affect our business, cash flows, reputation and results of operation. For instance, there have been a number of notifiable incidents with the conditions of the development approvals as a result of discharges from the sample plant, surge bin sump and main substation sump in March 2013, October 2014 and March 2017 whereby water was discharged absent the required rainfall event and/or the water discharged exceeded the contaminant release limits in the development approval. These regulations may impose liability without regard to whether we or the Operator knew of, or were responsible for, the presence of such contaminants and without regard to our or the Operator's own negligence or fault. Such laws are subject to change and sometimes have retrospective application, such that we may be liable for the conduct of others in the past or for acts that complied with all applicable laws at the time of those acts. For example, before the Adani Group had any ownership interest in the terminal, the Operator had incurred environmental remediation expenses associated with contamination in the fuel bowser area of the terminal and we may in the future incur substantial expenses if we are

required to remediate undetected environmental contamination or other environmental damage to comply with applicable environmental laws, which could materially adversely affect our operations and financial condition. Breaches of environmental laws and regulations by us, the Adani Group or the Operator may materially impact our reputation and political and community support for our operations and the terminal. See “Regulation of the Terminal—Planning and Environment—Contaminated Land”, for further details regarding the contamination of the fuel bowser area. Under the Leases between NQBP and the Guarantor, the Guarantor may also be required to indemnify NQBP in respect of NQBP’s losses in connection with any environmental contamination of the terminal.

Also, any changes to existing environmental legislation or the imposition of new regulations, for example with respect to marine conservation or contamination, could directly impact our operation of the terminal, or prevent or restrict the development of our assets, which could materially and adversely affect our business, financial position and results of operations and affect our ability to meet our operating expenses and other obligations, including our payment obligations under the Notes. See “Regulation of the Terminal—Planning and Environment” for further detail.

Market conditions required for the economic operation of the terminal, including the demand for coal, may not be maintained

There is a risk that current and forecast demand dynamics for coal exported through the terminal may not persist over the long term or that the fundamental underlying drivers of this demand may change. See “Industry Overview” and the Coal Market Report in Appendix C for further details about the coal market.

A decrease in demand for metallurgical or thermal coal may be the result of, among other things, competition from other market participants, changes in long-term energy consumption behavior, changes in the demand for steel, the introduction of carbon regimes in coal exporting and importing countries, development of alternative energy sources to coal fired power stations, the introduction of laws and policies relating to climate change targeting coal consumption and the development of competing coal supply sources. A decline in demand for coal may result in a reduction of market prices for coal. Reductions in international coal prices may significantly affect the capital resources, liquidity and operating results of the users. Price fluctuations will directly affect the users’ revenues and profits and may reduce the quantities of reserves that are commercially recoverable. As a result, future fluctuations in international coal prices will have a direct effect on the users’ results of operations and financial condition.

If the market price for coal falls below the production costs for users and remains at such levels for any sustained period of time it may not be economically feasible for the affected users to continue production and affected users may become unable or unwilling to fully perform their obligations and meet their payment obligations under the User Agreements as they fall due. Additionally, as charges levied upon users under the User Agreements are generally inelastic to changes in market prices for coal, reductions in market prices for coal will result in an increase in the proportion of such charges to a user’s revenue, assuming that all other factors remain constant. In such an environment, our users may elect not to renew their User Agreements with us. The same factors may contribute to new users not being willing to contract to utilize any spare capacity at the terminal. Any failure by a user to meet all or part of its payment obligations may cause us to terminate the User Agreement which may have a material adverse effect on our business, results of operations, financial condition and cash flows.

The coal mine resource base of the users may not be sufficient to support the terminal

The users may not have a sufficient coal resource base to support the long-term operations of the terminal or meet their requirements under their User Agreements. The terminal is a special purpose terminal designed solely for the export of coal and, in its present configuration, it cannot

be used for any other purpose. It is critical for our business that the users (or other potential users of the terminal) have a sufficient coal resource base to support their use of the terminal. Our users are not required to report their underlying coal resources to us on an ongoing basis, and, accordingly we have limited visibility as to the resources of the miners that ship through the terminal. If a user does not have a sufficient coal resource base, then its ability or willingness to make payments under the User Agreements could be affected to the extent it is unable to generate sufficient cash flow or to the extent such user considers it is no longer economically feasible to continue operating the mine. As we are reliant on payments by the users in order to have sufficient funds to enable us to pay our operating and financing obligations, any default by a user of its payment obligations under the User Agreements as a result of an insufficient coal resource base could affect our business, results of operations, financial condition, cash flows and ability to fulfill our obligations including under the Notes. See “Industry Overview” and the Coal Market Report in Appendix C for some details about the coal resource base of our users and other potential users of the terminal.

Our financing costs are susceptible to changes in the underlying interest rates over time

We are required to pay interest on some of our other financing, that is calculated as a margin over a floating benchmark rate. Without any mitigation strategy, variance in the benchmark rate has the potential to cause significant variations in our financing costs. As such we have implemented a hedging policy that requires us to ensure interest payments on at least 75% of all Senior Debt and Subordinated Debt outstanding is either subject to a fixed percentage interest rate or hedged in accordance with the hedging policy, or any combination of the two and therefore provides for significant hedging against this variability. Such hedging may not be effective in offsetting the variation in our financing costs, which may result in a material adverse effect in our business, financial position and cash flows. Further details on our hedging of interest rates is set out in “Description of the Notes—Common Terms Deed—Hedging Policy”.

A significant proportion of our debt is denominated in U.S. dollars, whereas our costs and revenues are predominantly denominated in Australian dollars

The refinancing of our Existing Finance Debt (including through the issue of the Notes) will involve a mix of funding sources, denominated in both Australian dollars and U.S. dollars. Our expenditure and revenues are denominated principally in Australian dollars. As a result of the difference in denomination of sources and uses of funds, we are exposed to the risk of one or the other currencies appreciating with respect to the other — for example, if the U.S. dollar were to appreciate against the Australian dollar our obligation to pay interest on the Notes would require more Australian dollars. Although we have implemented a hedging policy that requires us to ensure that payments on at least 95% of all Senior Debt outstanding is either denominated in A\$ or subject to cross-currency hedging in accordance with the hedging policy, or any combination of the two and therefore provides for hedging against this variability, further details of which is set out in “Description of the Notes—Common Terms Deed—Hedging Policy”, there is no guarantee that such hedging policies will be effective in protecting us from exposure to movements in exchange rates between the U.S. dollar and the Australian dollar. Such hedging may not be effective in offsetting the variation in our currency exchange rates, which may result in a material adverse effect in our business, financial position and cash flows.

We will need to raise further debt to refinance our existing debt, including the Notes and uncertainty as to our ability to continue as a going concern exists until such refinancings are complete

We have substantial indebtedness outstanding, and will need to raise debt to refinance our outstanding debt, including the Notes, on or prior to its respective maturity dates.

As at July 31, 2017, we have A\$976,225,000 of debt scheduled to mature in November 2018, representing 68% of our total debt. We intend to use the proceeds of this offering, together with

our existing cash and cash flow from operations to repay all or a portion of this debt. To the extent that the proceeds of this offering, together with our cash and cash flow from operations are not sufficient to repay all of this debt, we intend to raise the necessary funds through one or more additional issuances through the debt capital markets or through another form of debt. Until such transactions are complete, an uncertainty exists which may raise a doubt as to the ability of AAPT, the Trust and the combined entity comprising AAPT and the Trust to continue as going concerns.

We are exposed to market risks regarding such refinancing and there is no guarantee that we will be able to secure sufficient financing in the bank or capital markets to refinance our outstanding indebtedness or the Notes. Accordingly there is a risk that we will be unable to make payments under such debt when they fall due, resulting in an Event of Default. Our ability to refinance may be influenced by, among other things, general economic conditions, an adverse change in sentiment towards the coal industry and lending to or investing in coal related industries, including the terminal, and our own operating performance, particularly in light of commercial bank lending limits to companies exposed to coal. If financial markets were to deteriorate or if market sentiment towards the coal industry changed materially, there could be an adverse effect on our ability to refinance our existing debt as and when required. Our inability to repay indebtedness, or a negative change in our credit ratings that has a material adverse effect on our ability to borrow or our cost of funds, may have a material adverse effect on our business and financial condition, and our ability to continue as a going concern.

If our tax sharing agreement with AAPT Holdings is not valid, we could become joint and severally liable for unpaid tax debt of the tax consolidated group of which AAPT Holdings is the head company, which may have an adverse impact on our ability to make payments under the Notes

We are a member of a tax consolidated group, of which AAPT Holdings is the head company. AAPT Holdings is not a party to the Notes and has no obligations under the Notes. Under Australian law, members of a tax consolidated group are treated as part of the head company for most Australian income tax purposes and are potentially subject to joint and several liability for any tax debts of the tax consolidated group if the head company defaults on those debts. Where the tax consolidated group has a “tax sharing agreement” in place, a member’s liability for unpaid tax debts of the group will be limited to the amount allocated to it under the tax sharing agreement, provided that the allocation is a reasonable allocation, and various other requirements for validity of the tax sharing agreement are satisfied. The AAPT Holdings tax consolidated group has a tax sharing agreement in place that is intended to comply with the requirements for a valid tax sharing agreement. In the event that that tax sharing agreement is, or becomes, invalid or ineffective, or the head company incurs a tax liability not adequately covered by the tax sharing agreement, we could become jointly and severally liable for an unpaid tax debt of the group, which could have an adverse impact on our financial position and cash flows and affect our ability to make payments under the Notes.

There is a risk that we will be required to indemnify NQBP for loss in respect of a broad range of matters relating to the terminal

Under the Leases between the Guarantor and NQBP, the Guarantor indemnifies NQBP against a broad range of potential liabilities of NQBP that neither we nor the Guarantor may be able to control including losses of any kind incurred by NQBP in connection with the Land and its use, any acts or omissions on the part of the Guarantor as lessee under the Leases, any breach by the Guarantor of the Leases, any environmental contamination caused or contributed to by the Guarantor or us in connection with the Land or any death, personal injury, loss or damage suffered by any person in connection with the Land. We have guaranteed to NQBP the Guarantor’s performance of its obligations under the Leases and have also indemnified NQBP for losses suffered by it arising out of any default by the Guarantor of its obligations under the Leases. The amounts of any such indemnities may extend to consequential and indirect economic losses of

NQBP and if we or the Guarantor were required to pay under our respective indemnities, the amount payable could be substantial and could have an adverse impact on our ability to make payments under the Notes. See “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Leases” for further detail.

We are permitted to make distributions to the Adani Group in certain circumstances

Under the terms of the Common Terms Deed, we and the Guarantor are permitted to make distributions from a Distributions Account (including distributions to the Adani Group) at any time without the consent of any person and whether or not a Default subsists at that time. However, we will only be entitled to deposit funds into the Distributions Account if both the Distribution Conditions are satisfied and no Lock-Up Event subsists as described under “Description of the Notes—Common Terms Deed—Limitations regarding Distributions”. Any such distributions will reduce the cash available to us to make payments on the Notes.

Additionally, you should be aware that the Obligors may make distribution payments to cover reasonable corporate costs and reasonable director fees as determined in our discretion and there are no caps or other limitations on such costs and fees.

We may incur unexpected increases in our operating expenses, which are subject to uncertainties, which could adversely affect our revenues if additional expenses cannot be recovered through increased charges under the User Agreements

Operating expenses that the Operator incurs in the operation of the terminal are indirectly incurred by us as we are required to pay these expenses to the Operator under the O&M Contract. The quantum of these operating expenses can be affected by the costs of services consumed at the terminal such as general labor, engineering and maintenance services and electricity supply, by the cost of goods and equipment consumed or used at the terminal such as spare parts, fuel and vehicles or by the cost of complying with regulatory requirements and other matters which are uncertain and unpredictable.

Although we have contracted to pass-through operating expenses including all increases to the users under the User Agreements through increases in charges thereunder, a material or unexpected increase in our operating expenses that requires a corresponding increase in charges to users may result in users contesting such expenses and refusing to pay them, in breach of the User Agreements. Despite the users’ obligations to pay such charges, if users refuse to pay we will incur additional expenses not recovered from users. We may not generate sufficient revenue to cover additional expenses and we may be unable to meet our obligations including debt service payments and payments under the Leases, which would adversely affect our business, results of operations, financial conditions and cash flows.

We are ultimately controlled by an affiliate of the Adani Group that exercises control over our affairs and policies and whose interests may be different from yours

Our ownership structure is described in “The Issuer, the Guarantor and the Adani Group” and as discussed in that section our owners have entered into an agreement to reorganize it following which we will not be ultimately owned by APSEZ, a publicly listed company, and the voting rights in the Obligors will be indirectly held by Abbot Point Port Holdings Pte Ltd, a private company incorporated in Singapore, and we will ultimately be owned by Atulya Resource, Ltd., a private Cayman Islands company. We cannot assure you that the interests of our, or the Guarantor’s, direct or indirect owners or any other person who may come to own us or the Guarantor will not conflict with our interests or your interests. In certain circumstances involving a conflict of interest between our or the Guarantor’s owners (as applicable) and the Holders, our

or the Guarantor's owners (as applicable) may exercise its ability to control us or the Guarantor in a manner that would benefit our or the Guarantor's owners (as applicable) to the detriment of the Holders. See "The Issuer, the Guarantor and the Adani Group—The Issuer—Current holding structure".

Our and the Guarantor's respective owners have the ability to determine the outcome of substantially all matters submitted for a vote to our shareholders or the shareholders or unitholders of the Guarantor or the Trust, respectively, and thus exercise control over our or the Guarantor's business policies and affairs, including the following:

- the composition of our or the Guarantor's board of directors and, as a result, any determinations of our board or the board of the Guarantor with respect to business direction and policy, including the appointment and removal of officers;
- determinations with respect to mergers and other business combinations, including those that may result in a change of control;
- whether dividends are paid or other distributions are made and the amount of any dividends or other distributions;
- sales and dispositions of assets (including their shares in us, their shares in MPPL or MPPL's units in the Trust) or the provision of security over assets; and
- the amount and nature of debt financing incurred.

We and the Guarantor (but not our respective owners) have given undertakings under the Common Terms Deed which govern, restrict or place conditions on our ability to undertake some of the matters referred to above. See "Description of the Notes—Common Terms Deed—Covenants—Independent Director", "—Amalgamation, demerger, merger or reconstruction", "—Limitations regarding Distributions", "—Limitations on Disposals" and "—Limitations on incurring additional Finance Debt".

Entities in the Adani Group may enter into financing arrangements providing security over their assets, including AAPT Holding's pledge over its shares in the Issuer and MPPL's pledge over its shares in the Guarantor to secure its financing facilities, and enforcement of security following a default by MPPL may result in a termination of the Leases over the terminal

Entities within the Adani Group have entered into, or may in the future enter into, financing arrangements whereby such entities have provided, or will provide, security over their assets (which may include shares held in another member of the Adani Group including us or the Guarantor) to secure their own obligations or the obligations of other entities within the Adani Group. In particular, AAPT Holdings has pledged its shares in us, APSEZ has pledged its shares in MPPL and AAPT Holdings and MPPL has pledged its shares in the Guarantor and its units in the Trust as collateral to secure MPPL's obligations in relation to foreign currency and letter of comfort facilities provided by State Bank of India to MPPL. This pledge is contractually subordinated to the security granted by MPPL over the same assets in favor of Permanent Custodians Limited, as referred to below. As at the date of this offering memorandum, the principal outstanding amount under these State Bank of India facilities, which were entered into to partially refinance short term indebtedness incurred by MPPL in connection with the Adani Group's acquisition of the terminal, is US\$383,000,000. Separately, MPPL has granted security over its shares in the Guarantor and its units in the Trust and AAPT Holdings has granted security over its shares in us as security, in each case in favor of Permanent Custodians Limited as collateral to secure MPPL's obligations under certain senior financing arrangements, pursuant to which MPPL has borrowed A\$225,000,000 under a syndicated loan facility and a further A\$50,000,000 by issuing notes into the U.S. private placement market, to beneficiaries of a security trust that Permanent Custodians Limited has declared. Until MPPL's secured indebtedness

is repaid and/or the collateral is released, there is a risk that a change in control will occur with respect to us, the Guarantor and/or MPPL if the relevant secured party or another entity that receives the benefit of security enforces the collateral following a default by MPPL in connection with such facilities. A change in control of the Guarantor may, if made without the prior consent of NQBP, result in NQBP terminating the Leases over the terminal following the expiry of the relevant cure period. Specifically, in such circumstances, under the Tripartite Deed, NQBP may not terminate the Leases that it would otherwise be entitled to terminate unless it has given notice to the Security Trustee of its intention to terminate and that default has not been remedied or the consequences of that default have not been rectified within 90 days of that notice being given to the Security Trustee. However, there can be no assurance that the Security Trustee will be able to remedy any such default during the specified cure period or at all and, if the Leases over the terminal are ultimately terminated following a change of control of the Guarantor, there may be consequences for Holders of Notes as further described in “—Our business depends on our ability to maintain our Sub-Leases and the Guarantor’s ability to maintain the Leases over the terminal” above.

The provision of such a notice by NQBP to the Security Trustee will also constitute an Event of Default under the Secured Documents. However, although the Security Trustee is generally entitled to take action to enforce any security or guarantee or otherwise protect its rights under the Secured Documents as a result of the occurrence of an Event of Default as set out in “Description of the Notes—Common Terms Deed—Events of Default—Consequences of Event of Default”, if the Leases are terminated following a change of control of the Guarantor, NQBP would be required under the Tripartite Deed to conduct a sale process for, or obtain a valuation of, the terminal assets. The proceeds of the sale or the amount of the valuation (as applicable) would then be paid to the Security Trustee to be applied against amounts owing under the Secured Documents (including the Notes). In such a circumstance, however, there is a risk that there would be no purchasers for the terminal assets or that the valuation would not be a good or the best possible price that could be obtained which may, in turn, cause the proceeds of any sale of terminal assets to be insufficient to repay the Notes. See “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Leases —Tripartite Deed”.

We and the Guarantor have no control over whether any such collateral is granted over our shares, the Guarantor’s shares or the units in the Trust and we and the Guarantor will have no control over whether any change in control occurs with respect to any enforcement of such collateral. We and the Guarantor are not aware of any share pledges (other than those disclosed above) which may have been granted by the parents of MPPL.

The persons who control us and the Guarantor will be free to engage in businesses that compete with the terminal and enter into transactions with other persons whose interests may conflict with our interests, the Guarantor’s interests or the interests of Holders of the Notes

The persons who control us and the Guarantor are not restricted from entering into agreements or arrangements with other persons for the purpose of engaging in business activities that compete with the terminal. For example, the development and operation of the T0 Terminal by an affiliate of the Adani Group may give rise to a conflict of interest in relation to the allocation of user capacity at our terminal and the T0 Terminal as future capacity that might otherwise be contracted to our terminal upon expiration of User Agreements may be contracted to the T0 Terminal. Additionally, the development by Adani Mining of its Carmichael project (including any related rail infrastructure) may give rise to certain conflicts of interest between Adani Mining and the Obligors, including in respect of the renewal by Adani Mining of its User Agreement.

Accordingly, there can be no assurance that any business activities undertaken by the persons that control us and that control the Guarantor will not conflict with our interests, the Guarantor’s interests or the interests of Holders of the Notes.

Negative perceptions of our operations, our users and their mines or the coal industry generally, may adversely affect our business and reputation

Our operations, the operations of our users and the coal industry generally, may generate negative public sentiment with certain stakeholder groups due to the perception that coal adversely impacts the local environment in which we operate and more broadly, that coal has an adverse impact on the global environment, including with respect to climate change. In particular, negative sentiment in respect of the development of the Carmichael project by the Adani Group has resulted in adverse publicity and public protests in respect of the Adani Group. The continuation of such adverse public sentiment, including through ongoing negative publicity and public protests, may result in adverse reactions to our current operations, including the willingness of financial intermediaries and investors to provide us with financing in the future, including refinancing our existing and future indebtedness. Our users may be similarly impacted by adverse public sentiment, which may adversely affect their operations.

Negative public sentiment, any resulting community action and related publicity may increase the risk that the federal government or Queensland government may implement political and regulatory measures that adversely impact the operation of the terminal or the long-term viability of the source mines of our users. Any such government measures could adversely impact our financial condition and results of operations.

We are exposed to risks as a result of the proposed development of the T0 Terminal by Adani Group at Abbot Point

The Adani Group is planning to develop the T0 Terminal at Abbot Point, although no final development decision has been made at this stage and it is not expected that any such decision will be made at any time in the near future. If developed, the T0 Terminal would be a coal export terminal located adjacent to the east boundary of our terminal. The first phase of the T0 Terminal development project is currently expected to have an initial nameplate capacity of 35mtpa of coal, although the Adani Group may ultimately decide to increase the initial nameplate capacity beyond 35mtpa. The approved nameplate capacity of the T0 Terminal is 70mtpa. The project is expected to comprise development of backup facilities, approach jetty and one or more ship berths. The ship berths are expected to be independent, free standing structures connected to the shore through a piled approach jetty. The Adani Group's development of the T0 Terminal will be independent of our terminal and the construction of the T0 Terminal has been designed to minimize the impact on the operations of our terminal.

The terms of the Notes restrict us and the Guarantor from undertaking any activities with respect to the financing, development, operations or maintenance of the T0 Terminal, other than the permitted separation steps as further outlined in the "Description of the Notes—Common Terms Deed—Permitted T0 Terminal Separation Steps". Accordingly, the T0 Terminal will not be undertaken by us or the Guarantor and the Holders will not have recourse to the assets or revenues of the T0 Terminal. The assets and revenues of the T0 Terminal do not and will not form a part of the Collateral and any liabilities and operational responsibilities of the Adani Group in respect of the T0 Terminal will be ring-fenced in separate legal entities from those relating to the terminal.

Our lenders have consented, and the Security Trustee has the necessary authorizations, to undertake the separation steps required to proceed with the development of the T0 Terminal and by purchasing the Notes you will be deemed to have consented to the Permitted T0 Separation Steps

In order for the development of the T0 Terminal to proceed, the separation steps as described in "Description of the Notes—Common Terms Deed—Permitted T0 Terminal Separation Steps" will need to be undertaken. Since the Common Terms Deed was entered into, our secured creditors have consented to the taking of certain additional steps that are intended to facilitate the Permitted

T0 Separation Steps. By purchasing the Notes, you will be deemed to consent to the taking of these additional steps as described in “Description of the Notes—Common Terms Deed—Permitted T0 Terminal Separation Steps”. Additionally, under the terms of the Secured Documents, the Security Trustee has the authorization to take all actions required to implement any permitted separation steps requested to be taken by it, by us or the Guarantor and to promptly do all such things reasonably requested of it in connection with the permitted separation steps. If an Obligor takes any action with respect to the development of the T0 Terminal that is not in accordance with the Permitted T0 Terminal Separation Steps, or the conditions required in connection with the taking of the additional steps consented to by our other secured creditors, and such action is considered to be a material default by that Obligor and is not remedied within the relevant cure period, such default may constitute an Event of Default under the Notes and/or our other financing arrangements, the acceleration of our debt and the enforcement of the Security Trustee’s security interests under the Security Documents and the Tripartite Deed against the Collateral.

Risks related to the Notes

We have substantial indebtedness and we may incur additional debt that could adversely affect Holders

After the application of the proceeds of the Notes as described in “Use of Proceeds”, which will include repayment of part of the Existing Finance Debt, we will have approximately A\$ million (US\$ million) of debt outstanding. See “—We will need to raise further debt to refinance our existing debt, including the Notes and uncertainty as to our ability to continue as a going concern exists until such refinancings are complete”.

Subject to the restrictions set out in the Common Terms Deed (which are set out in detail under the heading “Description of the Notes”), we may incur additional indebtedness in the future that may rank equally in right of payment with the Notes and the creditors in respect of such indebtedness may share as beneficiaries of the security interests over the Collateral. The incurrence of additional debt may reduce the benefits of the security interests over the Collateral to the Holders. We cannot assure you that the Collateral and the proceeds of any additional debt would be sufficient to repay the Notes.

The incurrence of additional debt may reduce the Holders’ ability to control certain actions taken with respect to the Collateral. The Intercreditor Deed regulates decision-making with respect to amendments or waivers in relation to the terms of the Common Documents and with respect to the taking of enforcement action in respect of the Collateral amongst the Holders and the providers of any other senior secured debt. Any increase in the amount of secured debt we have outstanding will reduce the proportion of our total secured debt that the Notes represent, reducing the ability of Holders to influence the outcome of decisions taken by a vote of secured creditors under the Intercreditor Deed.

Any additional indebtedness could result in lower debt service coverage ratios and less cash available to pay amounts due on the Notes. Any default under any such additional indebtedness may result in an acceleration of such debt and enforcement of the security interests granted in the Collateral under the security documents entered into to secure the obligations of the Issuer and Guarantor in respect of the Notes (the “**Security Documents**”), and may cause a default under the Notes. We cannot assure you that we would be able to make payments on the Notes if they were accelerated due to a default under any additional indebtedness incurred.

Additionally, our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We anticipate that our operating cash flow will be sufficient to meet our anticipated operating expenses and to service our debt obligations as they become due. However,

we may not generate sufficient cash flow for these purposes. If we are unable to service our indebtedness, including the Notes, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness. These strategies may not be instituted on satisfactory terms or at all.

The rights of the Holders to consent to amendments and waivers under the terms of the Notes are subject to the Intercreditor Deed and the Note Trust Deed and in certain circumstances, amendments or waivers may be effected by substantially less than a majority of Notes outstanding or without the agreement or consent of the Holders

The Note Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

Pursuant to the Intercreditor Deed, we are permitted to amend or obtain waivers of certain material provisions of the Secured Documents and/or the Security Documents if a sufficient number of Senior Creditors consent. The votes of each Secured Group (which includes the Holders of the Notes, the Lenders under a Loan Facility (including the RCF Lender) and the Secured Hedge Counterparties) that participates in a vote in respect of an intercreditor matter will be cast by its Representative subject to the mechanics specified in the Intercreditor Deed and the relevant Secured Documents. Each Secured Group will be allocated a number of votes that is proportionate to the outstanding principal amount of the debt owed to them by us. All amendments, changes and waivers with respect to the Notes that would also impact the Secured Documents and/or the Security Documents will need to be approved by the Secured Groups voting across all instruments, including the Notes. This may result in other Secured Groups (such as the RCF Lender or the Secured Hedge Counterparties) impacting decisions related solely to the Notes and causing Holders to be bound by decisions that they might have otherwise opposed by voting as a majority. In addition, to the extent additional Secured Groups are included into the capital structure, their votes under the Intercreditor Deed may dilute or decrease the impact of the vote of the Holders. Investors should carefully read and understand the requisite voting and quorum requirements set forth in the table under the heading “Description of the Notes—Intercreditor Deed—Modifications, Consents and Waivers—Summary of majorities and consents required for Intercreditor Decisions”. For example, in certain circumstances if requisite quorum thresholds are not met, Fundamental Decisions may be approved with only 66^{2/3}% of votes cast with only a 10% quorum. Furthermore, in the event of an Event of Default, enforcement direction from at least 50% of all Secured Creditors that vote with a quorum requirement of 50% of all Secured Creditors entitled to vote, will be required to initiate enforcement proceedings. Accordingly, it is possible that Holders may not be able to control the outcome of any vote in respect of enforcement proceedings following an Event of Default. See “Description of the Notes—Intercreditor Deed”.

Pursuant to the terms of the Note Trust Deed, any amendment of certain basic Note Conditions, including without limitation modification of the maturity of the Notes or the dates on which interest is payable in respect of the Notes, reducing or canceling the principal amount of any premium payable on redemption of, or interest on, the Notes or changing the currency of payment of the Notes, does not require unanimity from the Noteholders but rather may be sanctioned by a vote of greater than two-thirds of the Noteholders at a meeting at which one or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one-third of the aggregate outstanding principal amount of the Notes form a quorum.

By purchasing the Notes, you will be deemed to consent to amendments to the Intercreditor Deed and Common Terms Deed that may reduce protections for holders of our secured debt, including the Noteholders.

We intend to propose certain amendments to the Common Terms Deed and Intercreditor Deed for the approval of our secured creditors in accordance with the Intercreditor Deed. The Note Trust Deed will provide that upon our request, the Note Trustee will timely exercise its votes on behalf of all Noteholders and take such other action as is required under the Intercreditor Deed and the other Common Documents to consent (when requested, from time to time) and give effect to these amendments on the Noteholders' behalf. As such, if the proposed amendments that require the approval of particular classes of secured creditors are approved by such secured creditors and/or the proposed amendments that require the approval of certain majorities of secured creditors are approved by such majorities, they will take effect without any further consent from the Noteholders and in certain circumstances some of the proposed amendments may be given effect to solely based on the consent provided by the Noteholders under the Note Trust Deed on the basis that the votes exercised by the Note Trustee on behalf of the Noteholders will be sufficient to satisfy the applicable quorum and majority requirements as described under "Description of the Notes—Intercreditor Deed—Modifications, Consents and Waivers".

These proposed amendments are described under "Description of the Notes—Proposed Common Document Amendments". Certain of the proposed amendments are designed to increase our flexibility under the Common Terms Deed in certain respects, and would permit us to take certain actions, including without limitation with respect to our transactions with third parties and our affiliates, that we are not currently permitted to take without the consent of secured creditors and remove certain requirements that secured creditors may consider provide them with protection against us taking steps that are adverse to their interests. Prospective investors should consider the proposed amendments carefully before investing in the Notes.

Your recourse will be limited to us and the Guarantor

We and, in certain circumstances, the Guarantor, are the only parties required to make payments on the Notes. We have no business or significant assets other than the terminal and our rights under the Project Documents. The Notes are our obligation, payable solely from the revenues of the terminal and, on enforcement of the Security Documents and the Tripartite Deed, through realization of the Collateral as applied in accordance with the priority of payment set out in the Intercreditor Deed. The Notes are not obligations of, or guaranteed by, APSEZ, Atulya Resources Ltd. or any other affiliate of the Adani Group (other than the Guarantor), the users, the State of Queensland, NQBP or the Operator. Neither APSEZ, Atulya Resources Ltd nor any of their respective affiliates (other than the Guarantor) has any obligation to contribute or loan money to us. The Holders will have no claim against or recourse to the holders of our equity interests or any of our affiliates or any of their incorporators, equity holders, directors, officers or employees for amounts payable under the Notes or the Guarantee or any other Secured Document.

The ratings of the Notes may be lowered or withdrawn and the ratings do not reflect all risks

S&P has assigned a credit rating to the Notes of BBB- and Fitch has assigned a credit rating to the Notes of BBB-. The ratings address the likelihood of timely payment of the scheduled interest and principal on the Notes on each scheduled payment date. The ratings do not address the likelihood of payment of any overdue interest or any other amounts payable in respect of the Notes or the timeliness of any accelerated principal payments coming due as a result of an Event of Default. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above or other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold a Note (or beneficial interests therein) inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The ratings are made on the basis of certain key assumptions and facts. To the extent any of those facts or assumptions change, regardless of whether the events prompting such change are in our control,

the rating agencies may revisit the ratings assigned to the Notes. As such, no assurance can be made that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future. For example, in March 2016, Moody's downgraded the rating of our outstanding senior secured debt to Ba2 from Baa3.

Covenants in our financing documents limit our flexibility and breaches of these covenants could materially adversely affect our financial condition

The Secured Documents, including the Common Terms Deed, the Security Trust Deed and the Intercreditor Deed and the Security Documents, contain restrictive covenants that limit our flexibility in conducting our operations, managing our capital requirements and reacting to changes in market conditions. For example our Secured Documents contain customary restrictions on incurring further financial indebtedness, pledging our property as collateral, making disposals and making acquisitions. The Secured Documents also contain a financial covenant relating to our Cashflow Cover Ratio and compliance with this financial covenant may not always be within our control. Breaches of these covenants could result in an event of default under our Secured Documents, the acceleration of our debt and the enforcement of the Security Trustee's security interests under the Security Documents and the Tripartite Deed against the Collateral. If our debt is accelerated under the Secured Documents, there is no guarantee that we will have sufficient financial resources to repay our debt (including the Notes), and there is no guarantee that we will be able to find alternate financing on favorable terms or at all which could refinance the accelerated debt. Accordingly, any breaches of our covenants could materially and adversely impact our financial condition and our ability to make payments on the Notes.

We may not be able to redeem the Notes upon a Change of Control Triggering Event. The Change of Control mechanism may afford limited protection in certain circumstances

If a Change of Control Triggering Event occurs, no assurance can be made that we will have available funds sufficient to make the payments required to redeem all the Notes that might be tendered by Holders seeking to accept our offer to redeem such Notes upon the occurrence of the Change of Control Triggering Event. In the event we are required to redeem outstanding Notes, we expect that we would seek third-party financing or additional equity to the extent we do not have available funds to meet our purchase obligations and any other obligations. However, no assurance can be made that we would be able to obtain the necessary financing or equity support. In addition, if we incur any other indebtedness, a Change of Control may cause a default or event of default to occur under other indebtedness of ours.

Additionally, the definition of "Change of Control" for purposes of the Notes does not necessarily afford protection for the Holders of the Notes in the event of certain highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings.

If we are unable to comply with the restrictions and covenants in our debt agreements or in the Terms and Conditions of the Notes, there could be a default under the terms of these agreements, which could cause repayment of our debt to be accelerated

If we are unable to comply with the restrictions and covenants in the Note Conditions, or our current or future debt obligations and other agreements there could be a default under the terms of these agreements. In the event of such a default, the holders of the relevant debt could, subject to the terms of the Intercreditor Deed, terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Note Conditions, contain cross-default provisions. As a result, our default under one debt agreement may result in a default under our other debt agreements, including the in the Note Conditions. If

any of these events were to occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

There is no existing market for the Notes, and we cannot assure Holders that an active secondary market will develop

The Notes are a new issue of securities for which there is currently no trading market. No application has been, or will be, made to list or quote the Notes on any securities exchange and we cannot assure you that a liquid trading market for the Notes will develop. Even if a liquid market for the Notes does develop, the Notes could trade at a discount from their initial offering price. If a market for the Notes does not develop, investors may be unable to sell their Notes for an extended period of time, if at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Consequently, Holders may not be able to liquidate their investment readily or at all, and lenders may not readily accept the Notes as collateral for loans.

Over the past several years, major disruptions in the global financial markets caused a significant reduction in liquidity in the secondary market for debt securities. While conditions in the financial markets and the secondary markets have recently improved, there can be no assurance that future events will not occur that could have a similar adverse effect on the liquidity of the secondary market. If the lack of liquidity in the secondary market reoccurs, it could adversely affect the market value of the Notes and/or limit a Holder's ability to resell its Notes.

Holders are exposed to financial risk

Interest payment, where applicable, and principal repayment for debts occur at specified periods regardless of our performance. We may be unable to make interest payments, where applicable, or principal repayments, under the Notes should the terminal suffer a serious decline in net operating cash flows. Additionally, we will need to refinance the Notes at the end of their term in order to make the principal repayments required to be made on the Notes at that time. There is no guarantee that we will be able to secure sufficient financing in the bank or capital markets to refinance the Notes, and accordingly there is a risk that we will be unable to make payments under the Notes when they fall due which would result in an Event of Default under the Notes.

The insolvency laws of Australia differ from U.S. and English bankruptcy law and may differ from equivalent laws of another jurisdiction with which Holders of the Notes may be familiar

Because we and the Guarantor are incorporated under the laws of Australia, an insolvency proceeding relating to us or the Guarantor, even if brought in the United States or England, would likely involve Australian insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of United States Federal or English bankruptcy law or the insolvency laws of other jurisdictions with which the Holders of the Notes may be familiar.

Investors are subject to interest rate risks

Holders may suffer erosion on the real rate of return of their investments due to inflation. Holders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Investors are subject to exchange rate risks and exchange controls

We will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the

risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollar would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or may prohibit payments to certain individuals. In particular, the payments by an Australian resident (which would include the Issuer) to, or transfers to, or dealings with, by the order of, or on behalf of, certain proscribed entities, persons or assets are prohibited or restricted under relevant Australian legislation and regulations — see “Exchange Rates and Exchange Controls and Limitations”. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes are governed by the laws of England and the Guarantee is governed by the laws of Queensland, Australia and accordingly any legal proceedings brought by the Note Trustee on behalf of the Noteholders to enforce the Notes or the Guarantee will likely be brought in England or Queensland, Australia, respectively

The Note Trust Deed, which sets out the provisions of each of the Notes, is governed by the laws of England. The Issuer and the Guarantor have agreed to the exclusive jurisdiction of the courts of England with respect to legal action arising under the Note Trust Deed (including under the Notes) and waived any objection to such a proceeding on the grounds that it is brought in an inconvenient forum. To enforce an English judgment against us, it may be necessary to bring further, enforcement specific, action in Australia.

The Common Terms Deed, which sets out among other things the Guarantee in respect of the Notes, is governed by the laws of Queensland, Australia. By acceding to the Common Terms Deed as representative of the Noteholders, the Note Trustee has agreed to the jurisdiction of the courts of Queensland, Australia with respect to legal action arising under the Common Terms Deed (including with respect to the Guarantee) and waived any objection to such a proceeding on the grounds that it is brought in an inconvenient forum.

The Notes may be affected by any change of law

The conditions of the Notes are based on the laws of England in effect as of the date of this offering memorandum. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this offering memorandum.

Because book-entry registration will be used, Holders will not receive physical notes representing their Notes and will be able to exercise their rights as a Holder only through the clearing agencies

The Notes will be delivered to Holders in book-entry form through the facilities of The Depository Trust Company. Consequently, a Holder's Notes will not be registered in its name and

it will not be recognized as a Holder by the Note Trustee. A Holder will only be able to exercise its rights as a Holder indirectly through The Depository Trust Company (in the case of a Note) and their respective participating organizations. Holders may be limited in their ability to resell their Notes to a person or entity that does not participate in The Depository Trust Company system.

Risks related to the Collateral and enforcement of the Notes

The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and other future indebtedness permitted to be secured by the Collateral

The Notes will be secured by first priority liens, subject to certain exceptions and permitted liens (including liens mandatorily preferred by law), on the Collateral. The Collateral generally consists of all of our and the Guarantor's rights relating to the terminal and is described in further detail under "Description of the Collateral". The Collateral also secures the other Senior Debt and accordingly your rights to the Collateral are diluted by that other Senior Debt as set out in the Intercreditor Deed.

No independent appraisals of any of the Collateral have been prepared in connection with this offering. The value of the Collateral and the amount received upon a sale of Collateral will depend upon many factors, including among others, the condition of the Collateral, the ability to sell the Collateral in an orderly sales market and economic conditions, the availability of buyers and similar factors. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value.

No assurance can be made that the Collateral will be saleable and, even if saleable, the timing of its liquidation and the value to be derived therefrom is uncertain. Additionally, with respect to some of the Collateral, the ability to foreclose will be limited by the contractual rights of third parties to, among other things, acquire ownership interests in certain property and, with regard to other Collateral, the need to meet certain requirements, such as obtaining third-party consents or governmental approvals and making additional filings. For example, under the User Agreements, the relevant user's consent (not to be unreasonably withheld) is required for the User Agreement to be assigned or novated (including pursuant to the enforcement of security) and under the Leases, the Leases may only be assigned to assignees with certain financial and technical resources and who have the authorizations necessary to use the terminal as a bulk cargo and commodity terminal. These requirements may limit the number of potential bidders for certain Collateral in any enforcement scenario or the value that such bidders are willing to extend in respect of such Collateral and may delay any sale, either of which events may have an adverse effect on the sale price of the Collateral and, accordingly, the amount available to repay the Notes. In addition, the sale price of the Collateral is likely to be in Australian dollars, giving rise to exchange rate risk on our obligations under the Notes which are denominated in U.S. dollars. See "Exchange Rates and Exchange Controls and Limitations" for further details.

Our insurance policies may not provide sufficient coverage against all liabilities and may not be sufficient to repay the Notes in the event of a total loss of all or any part of the Collateral

We are subject to operational risks and hazards including the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events like the occurrence of force majeure events such as floods, cyclones or tsunamis. The occurrence of an operating hazard could result in substantial losses due to injury or loss of life and damage to or destruction of the terminal, facilities, other property and the environment. While we and the Operator maintain insurance (to the extent available on commercially reasonable terms) to protect against loss or damage to our assets, such insurance is subject to customary deductible and coverage limits and accordingly there is a risk that insurance proceeds may not compensate us

fully for any damage or loss suffered. In addition some risks are uninsurable and the market for port insurance is limited, and a change in coverage offered by insurance companies could reduce our ability to obtain and maintain adequate, cost-effective coverage on commercially reasonable terms or at all.

Accordingly, there is a risk that the proceeds of our or the Operator's insurance, together with other available funds, will be insufficient to provide for the repair or replacement of any damaged or destroyed portions of the terminal. If there is a total loss of any part or all of the Collateral there is a risk that the proceeds of our or the Operator's insurance will be insufficient to provide for the repair or replacement of any damaged or destroyed portions of the terminal, or will be insufficient to satisfy all our obligations secured by the Collateral (including the Notes). The Operator is separately required to indemnify us for losses in connection with its negligence or breach under the O&M Contract, and we have required the Operator to provide us with a deposit in the amount of A\$15,400,000 as security for its obligations under the O&M Contract (and we received that A\$15,400,000 security deposit on October 4, 2016), however there is no guarantee that that recourse to the Operator will be sufficient to repair or reinstate the terminal in the event of significant damage or destruction since the Operator's indemnities are linked to its breach or negligence and in any event there is no guarantee the Operator will have the financial resources to pay any amount claimed.

There are contractual limitations and legal uncertainties related to the Holders' and the Security Trustee's ability to enforce their rights against the Collateral and the Obligors

Under the terms of the Intercreditor Deed and the Common Terms Deed, generally only the Note Trustee is authorized to take steps in relation to instituting litigation to enforce the contractual obligations of the Issuer or the Guarantor to the Holders of the relevant Notes by directing the Security Trustee to take such action. The ability of the Holders to take enforcement action is generally limited to the right to adopt an extraordinary resolution directing the Note Trustee to take, or directing the Security Trustee to take, an action or bring a proceeding. No Holder is entitled to proceed directly against the Issuer or the Guarantor in respect of the Notes or any Secured Documents, unless the Security Trustee has been instructed to take such action in accordance with the Intercreditor Deed and has failed to take such action within the time required by the relevant instructions. As further described in "Description of the Collateral—Overview—Transaction Security is shared with other Secured Creditors", the Collateral that secures the Notes is shared between, among others, the Holders, the holders of the USPP Notes, the holders of the A\$ Notes and the Secured Hedge Counterparties. The Holders do not have a right to declare an event of default, accelerate the Notes or enforce security interests against the Collateral independently of the requirements of the Intercreditor Deed, which place certain restrictions on the Holders rights and require, among other things, the Security Trustee to only enforce security interests against the Collateral on the instructions of the Enforcement Majority. In certain circumstances, the secured creditors may elect to waive a default or not enforce security interests against the Collateral, and if you disagree with this decision but are in the minority under the voting provisions in the Common Terms Deed or the Intercreditor Deed, you will be bound by the decision of the majority. The proceeds of any enforcement of security interests against Collateral are also likely to be in Australian dollars, but could be in any currency, and accordingly Holders of Notes denominated in a currency other than the currency of enforcement proceeds will be subject to currency risk.

Your interests in the Collateral securing the Notes and the Guarantee may be adversely affected by our failure to maintain, record or perfect security interests

Your rights in the Collateral may be adversely affected by our failure to maintain the security interest in, or the priority of, the Collateral or to perfect security interests in certain Collateral in

the future. The Common Terms Deed and the Security Documents require that we maintain the security interest created thereunder as a perfected security interest with the priority required by the Security Documents. We may fail to notify the Security Trustee of changes in name or other events which may adversely affect the security interest in the Collateral.

Third parties' rights may affect the ability of the Security Trustee to enforce against the Collateral and the priority of the Notes and the Guarantee with respect to the Collateral

Third parties may have rights and be entitled to remedies that diminish the ability of the Security Trustee to foreclose upon the Collateral or that affect the priority of the Notes with respect to the Collateral. Under Australian law, amounts owed to employees must be paid by a debtor prior to the satisfaction of any unsecured claims, and may have priority against certain secured claims as further described in "Description of the Collateral—Overview of enforceability of security interests in Australia—Effect of insolvency on enforcement—Circulating security interests and floating charges—Transaction Security is shared with other Secured Creditors". In addition, under the terms of the Notes, on the enforcement of the Transaction Security and realization of the Collateral, certain third-party payments (such as to the Security Trustee and the Representatives in connection with their fees or any other amounts owing to them) will be senior to the amounts owed to the Holders.

Our rights arising under certain contracts upon the counterparty being subject to administration or the control of a managing controller or being the subject of a proposal to compromise its debts, will be subject to a stay on enforcement

In September 2017 the Australian government passed new legislation (as set out in the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017) intended to implement certain reforms to Australian insolvency laws, including introducing into Australian insolvency law a new regime in respect of so-called "ipso facto" clauses (being, any right under a contract, agreement or arrangement arising merely because a company, among other circumstances, is under administration, has appointed a managing controller or is the subject of an application to the Court (or has publicly announced an intention to make such application) to convene a meeting of creditors to propose a compromise or arrangement in respect of its debts). Under the new regime, any such ipso facto clause will not be enforceable during a prescribed stay period. The duration of the applicable prescribed stay period will vary depending upon the circumstances giving rise to the stay, but it will generally continue until the relevant circumstance has been resolved (for example, when the administration of the company has ended, the managing controller has ceased to control the company or the application to the Court to convene a meeting of creditors is withdrawn or dismissed). Courts also have discretion to extend or shorten the applicable stay period in certain circumstances.

Contracts, agreements and arrangements in effect before July 1, 2018 will be excluded from the new regime and certain other exemptions may be available as will be set out in the regulations. Regulations have not been made publicly available as of the date of this offering memorandum.

Accordingly, in the event that on or after July 1, 2018 we or the Guarantor enter into a contract, agreement or arrangement, which contains an ipso facto clause, we or the Guarantor (as applicable) will not be permitted to exercise its rights in respect of that clause during the applicable stay period. For example, if we entered into a new user agreement after July 1, 2018 which contained a clause purporting to permit us to terminate that agreement upon the counterparty entering into voluntary administration, the new regime would effectively prevent us from exercising any right under that clause to terminate that agreement during the applicable stay period.

USE OF PROCEEDS

We expect to receive US\$496,805,000 (A\$622,562,657) in aggregate gross proceeds from the offering of the Notes, without giving effect to offering expenses or the Initial Purchasers' discounts and commissions in connection with the Notes. We intend to apply the net proceeds from the sale of the Notes to repay (in part or in full) our debt maturing in November 2018 (including associated fees and expenses), which, as at July 31, 2017, has an aggregate outstanding principal of A\$976,225,000, and consists of Facility A of our Syndicated Facility Agreement and our A\$396,225,000 (as of July 31, 2017) of A\$ Notes due 2018.

CAPITALIZATION

The following table sets forth the combined cash and cash equivalents and capitalization of the Issuer and the Guarantor as of July 31, 2017, on an actual basis and on an as-adjusted basis after giving effect to (i) the offering of the Notes contemplated hereby and (ii) the assumed application of the aggregate estimated net proceeds of the offering of the Notes as described in “Use of Proceeds”. This table should be read in conjunction with “Use of Proceeds”, and “Selected Financial Information” and the Combined Financial Information, including the related notes, appearing elsewhere in this offering memorandum.

	As of July 31, 2017 ⁽¹⁾		
	Combined Actual	Notes Issuance Adjustments ⁽²⁾ (A\$ in thousands)	As adjusted ⁽³⁾
Cash on hand and at bank	261,354 B✓	—	261,354 L
Debt:			
Interest bearing liabilities ⁽²⁾			
Notes offered hereby	—	626,566	626,566 L
A\$ Notes due 2018	396,225 B✓	(396,225)	—
Initial Syndicated Facility Agreement - Facility A	580,000	(220,072)	(359,928)
Initial Syndicated Facility Agreement - Facility B	170,000	—	170,000
A\$ Notes due 2020	100,000	—	100,000
USPP Notes due 2021	175,285	—	175,285
USPP Notes due 2024	12,520	—	12,520
Total Debt	1,434,030 E	10,269	1,444,299 L
Equity:			
Equity attributable to the shareholders of the Issuer			
Contributed equity	446,245 B✓	—	446,245 L
Retained earnings	12,541	—	12,541
Hedge reserve	(17,919)	—	(17,919)
Total equity attributable to the shareholders of the Issuer	440,867	—	440,867
Equity attributable to the Unitholders of the Trust			
Units on issue	243,999 B✓	—	243,999 L
Hedge reserve	21,472	—	21,472
Undistributed income	11,058	—	11,058
Total equity attributable to the Unitholders of the Trust	276,529	—	276,529
Total Equity	717,396	—	717,396
Total Capitalization⁽⁴⁾	2,151,426 E	10,269	2,161,695 L

Notes:

- (1) This information has been derived from the Combined Financial Information for the four month period ended July 31, 2017.
- (2) US\$ amounts have been translated into A\$ amounts at the noon buying rate on August 31, 2017 of US\$1.00 = A\$1.00/0.7980. Such translation should not be construed as representations that the U.S. dollar amounts represent or could have been converted into Australian dollars at that rate.
- (3) As adjusted to give effect to the application of the net proceeds of this offering as described under “Use of Proceeds”.
- (4) Total Capitalization represents the sum of Cash on hand and at bank, Total Debt and Total Equity for the Issuer and the Trust on an aggregated basis.

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information as of and for the periods ended on the dates indicated below. The selected financial information for AAPT has been derived from the Issuer's Financial Statements as of and for the fiscal years ended March 31, 2017 and 2016 and its unaudited interim financial statements as of and for the four month period ended July 31, 2017, in each case included in this offering memorandum. The selected financial information for the Trust has been derived from the Trust's Financial Statements as of and for the fiscal years ended March 31, 2017 and 2016 and its unaudited interim financial statements as of and for the four month period ended July 31, 2017, in each case included in this offering memorandum. The Issuer's Financial Statements and the Trust's Financial Statements have been prepared in accordance with Australian Accounting Standards ("AAS") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and comply with AAS as issued by the AASB and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The selected financial information for the combined group has been derived from the Combined Financial Information as of and for the fiscal years ended March 31, 2017 and 2016 and the unaudited Combined Interim Financial Information as of and for the four month period ended July 31, 2017, in each case included in this offering memorandum. The Combined Financial Information aggregates the results, assets and liabilities of AAPT and the Trust, eliminating intra-group balances and transactions between AAPT and the Trust, including unrealized gains and losses resulting from intra-group transactions. Investors should carefully review Note 2 to the Combined Financial Information, which sets out the basis of preparation. In particular, investors should note that the Combined Financial Information has been prepared in accordance with AAS except for the requirements of AASB 10 Consolidated Financial Statements and omits a number of note disclosures that would be required to be included in a general purpose financial report prepared in compliance with AAS.

Each of the Issuer's Financial Statements, the Trust's Financial Statements and the Combined Financial Information has been audited or reviewed, as applicable, by Ernst & Young.

For a discussion and analysis of our historical financial information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations". You should read the following financial information together with the information in the sections of this offering memorandum titled "Presentation of Financial and Other Information" and "Risk Factors," and the financial statements (including the notes thereto) included elsewhere in this offering memorandum.

Statement of comprehensive income

	For the year ended March 31,								
	2017			2016			2015		
	AAPT	MPHT	Combined	AAPT	MPHT	Combined	AAPT	MPHT	Combined
	(A\$ thousands)								
Revenue	250,454	—	250,454	281,384	—	281,384	260,720	—	260,720
Lease revenue from AAPT	—	203,663	—	—	168,333	—	—	147,109	—
Other income	190,015	55	123,072	68,532	55	2,808	62,284	8	2,379
Depreciation and amortisation	(22,522)	(37,693)	(60,125)	(16,559)	(38,727)	(55,286)	(15,355)	(38,696)	(54,051)
Administration and general expenses	(10,172)	(7,785)	(17,958)	(8,294)	(7,595)	(15,889)	(8,573)	(7,654)	(16,226)
Lease rent to MPH	(203,663)	—	—	(168,333)	—	—	(147,109)	—	—
Foreign exchange gain/(loss), net.	129	(364)	(235)	(2,644)	2,383	(261)	(964)	(27,201)	(28,165)
Operating expenses	(58,693)	—	(58,693)	(60,605)	—	(60,605)	(55,555)	—	(55,555)
Finance costs	(96,884)	(69,876)	(99,761)	(91,539)	(68,636)	(94,396)	(82,537)	(62,542)	(85,167)
Profit before tax	48,664	88,000	136,664	1,942	55,813	57,755	12,911	11,024	23,935
Income tax expenses	(12,453)	—	(12,453)	(617)	—	(617)	(3,874)	—	(3,874)
Profit	63,211	88,000	124,211	1,325	55,813	57,138	9,037	11,024	20,061
Net movement in fair value of cash flow hedges, net of tax.	5,051	(5,791)	(740)	6,631	4,527	11,158	(25,290)	31,084	5,794
Total comprehensive income/ (loss) for the year.	41,262	82,209	123,471	7,956	60,340	68,296	(16,253)	42,108	25,855

	Four months ended July 31,					
	2017			2016		
	AAPT	MPHT	Combined	AAPT	MPHT	Combined
	(Unaudited, A\$ in thousands)					
Revenue	84,021	—	84,021	93,627	—	93,627
Lease revenue from AAPT	—	40,935	—	—	52,752	—
Other income	22,727	6	719	22,289	41	491
Depreciation and amortisation.	(5,296)	(12,532)	(17,828)	(5,517)	(12,732)	(18,249)
Administration and general expenses	(999)	(2,522)	(3,521)	(2,477)	(2,659)	(5,136)
Lease rent to MPH	(40,935)	—	—	(52,752)	—	—
Foreign exchange gain/(loss), net.	2,663	8,140	10,803	(35)	(3,399)	(3,434)
Operating expenses	(20,254)	—	(20,254)	(18,428)	—	(18,428)
Finance costs	(29,327)	(22,969)	(30,282)	(28,946)	(22,770)	(29,877)
Profit before tax	12,600	11,058	23,658	7,761	11,233	18,994
Income tax expenses.	(3,779)	—	(3,779)	(2,328)	—	(2,328)
Profit	8,821	11,058	19,879	5,433	11,233	16,666
Net movement in fair value of cash flow hedges, net of tax.	1,382	(8,348)	(6,966)	(4,585)	1,658	(2,927)
Total comprehensive income/(loss) for the year	10,203	2,710	12,913	848	12,891	13,739

Statement of financial position

	As at March 31,								
	2017			2016			2015		
	AAPT	MPHT	Combined	AAPT	MPHT	Combined	AAPT	MPHT	Combined
	(A\$ thousands)								
Assets									
Current Assets									
Cash at bank and on hand	212,370	2,320	214,690	92,024	10,710	102,734	79,489	533	80,022
Trade and other receivables	131,859	15	129,769	114,328	—	112,201	108,023	4	106,747
Loans to related parties	85	—	85	75	—	75	—	—	—
Amounts due from related parties	—	176,288	—	—	60,571	—	—	41,566	—
Derivative assets	—	1,420	—	—	1,809	—	—	1,506	—
Total current assets	344,314	180,043	344,544	206,427	73,090	215,010	187,512	43,609	186,769
Non-current assets									
Derivative assets	—	28,400	—	—	33,802	—	—	29,578	—
Loans to related parties	1,388,896	—	334,870	1,396,040	—	315,600	1,396,610	—	315,600
Property, plant and equipment	379,496	1,225,003	1,604,498	394,173	1,262,534	1,656,707	408,850	1,300,259	1,709,073
Capital work in progress	70,695	—	70,695	37,558	—	37,558	26,390	—	26,427
Intangible assets	75,506	—	75,506	83,352	162	83,514	85,235	1,163	86,398
Total non-current assets	1,914,593	1,253,403	2,085,569	1,911,123	1,296,498	2,093,379	1,917,085	1,331,000	2,137,498
Total assets	2,258,907	1,433,446	2,430,113	2,117,550	1,369,588	2,308,389	2,104,597	1,374,609	2,324,267
Liabilities									
Current liabilities									
Trade and other payables	214,235	111,256	147,096	90,036	7,799	35,137	80,808	7,782	45,745
Interest-bearing liabilities	—	—	—	17,500	—	17,500	10,000	—	10,000
Derivative liabilities	1,673	—	253	2,186	—	337	2,778	—	1,272
Total current liabilities	215,908	111,256	147,349	109,722	7,799	53,014	93,586	7,782	57,017
Non-current liabilities									
Security deposit	107,400	—	107,400	—	—	—	—	—	—
Deferred tax liabilities	31,182	—	31,182	31,419	—	31,419	30,101	—	30,101
Interest-bearing liabilities	1,440,281	1,048,371	1,434,627	1,542,488	1,071,992	1,534,040	1,541,843	1,069,768	1,530,601
Derivative liabilities	33,472	—	5,072	44,519	—	10,717	57,621	—	28,043
Total non-current liabilities	1,612,335	1,048,371	1,578,281	1,618,426	1,071,992	1,576,176	1,629,565	1,069,768	1,588,745
Total liabilities	1,828,243	1,159,627	1,725,630	1,728,148	1,079,791	1,629,190	1,723,151	1,077,550	1,645,762
Net assets	430,664	273,819	704,483	389,402	289,797	679,199	381,446	297,059	678,505
Equity									
Attributable to the shareholders of AAPT									
Contributed equity	446,245	—	446,245	446,245	—	446,245	446,245	—	446,245
Hedge reserve	(19,301)	—	(19,301)	(24,352)	—	(24,352)	(30,983)	—	(30,983)
(Accumulated losses) / Retained earnings	3,720	—	3,720	(32,491)	—	(32,491)	(33,816)	—	(33,816)
Total equity attributable to the shareholders of AAPT	430,664	—	430,664	389,402	—	389,402	381,446	—	381,446
Attributable to the unitholders of MPHT									
Units on issue	—	243,999	243,999	—	202,146	202,146	—	258,724	258,724
Hedge reserve	—	29,820	29,820	—	35,611	35,611	—	31,084	31,084
Undistributed retained earnings	—	—	—	—	52,040	52,040	—	7,251	7,251
Total equity attributable to the unitholders of MPHT	—	273,819	273,819	—	289,797	289,797	—	297,059	297,059
Total equity	430,664	273,819	704,483	389,402	289,797	679,199	381,446	297,059	678,505

Statement of financial position

	As at July 31 2017		
	AAPT	MPHT	Combined
	(Unaudited, A\$ in thousands)		
Assets			
Current Assets			
Cash at bank and on hand	260,462	892	261,354
Trade and other receivables	78,122	—	74,272
Loans to related parties	85	—	85
Amounts due from related parties	—	112,715	—
Derivative assets	—	1,022	—
Total current assets	338,669	114,629	335,711
Non-current assets			
Derivative assets	—	20,450	—
Loans to related parties	1,380,750	—	334,870
Property, plant and equipment	374,598	1,212,470	1,587,068
Capital work in progress	78,116	—	78,116
Intangible assets	75,108	—	75,108
Total non-current assets	1,908,572	1,232,920	2,075,162
Total assets	2,247,241	1,347,549	2,410,873
Liabilities			
Current liabilities			
Trade and other payables	157,615	29,863	70,913
Derivative financial instruments	1,507	—	1,507
Total current liabilities	159,122	29,863	72,420
Non-current liabilities			
Security deposit	153,400	—	153,400
Deferred tax liabilities	31,424	—	31,424
Interest-bearing liabilities	1,432,266	1,041,157	1,427,543
Derivative liabilities	30,162	—	8,690
Total non-current liabilities	1,647,252	1,041,157	1,621,057
Total liabilities	1,806,374	1,071,020	1,693,477
Net assets	440,867	276,529	717,396
Equity			
Attributable to the shareholders of AAPT			
Contributed equity	446,245	—	446,245
Hedge reserve	(17,919)	—	(17,919)
(Accumulated losses) / Retained earnings	12,541	—	12,541
Total equity attributable to shareholders of AAPT	440,867	—	440,867
Attributable to unitholders of MPHT			
Units on issue	—	243,999	243,999
Hedge reserve	—	21,472	21,472
Undistributed retained earnings	—	11,058	11,058
Total equity attributable to unitholders of MPHT	—	276,529	276,529
Total equity	440,867	276,529	717,396

Statement of cash flows

For the year ended March 31,

	2017			2016			2015		
	AAPT	MPHT	Combined	AAPT	MPHT	Combined	AAPT	MPHT	Combined
	(A\$ thousands)								
Operating activities									
Receipts from customers	394,741	20,951	394,741	303,469	83,494	303,469	288,443	145,860	288,443
Payments to suppliers and employees	(128,820)	(7,739)	(115,608)	(110,345)	(5,764)	(116,110)	(138,968)	(4,579)	(88,009)
Interest received	1,714	55	1,769	1,335	49	1,384	2,372	8	2,380
Finance costs paid	(99,477)	—	(99,477)	(94,475)	—	(94,475)	(84,453)	—	(88,051)
Borrowing costs	—	—	—	—	—	—	—	(3,597)	—
Income tax paid on behalf of head of entity	—	—	—	—	—	—	(1,148)	—	(1,148)
Net cash flows from operating activities	<u>168,158</u>	<u>13,267</u>	<u>181,425</u>	<u>99,984</u>	<u>77,779</u>	<u>94,268</u>	<u>66,246</u>	<u>137,692</u>	<u>113,615</u>
Investing activities									
Purchase of property, plant and equipment	(29,164)	—	(29,164)	(15,278)	—	(15,278)	(20,004)	(63)	(20,066)
Release of bank deposit	(974)	—	(974)	(4,769)	—	(4,769)	(10,234)	—	(10,233)
Payments to related parties	—	—	(31,509)	(79,671)	—	3,824	(324,143)	—	20,520
Repayment of advances to related parties	(4,773)	—	—	—	—	—	—	—	—
Net cash flows used in investing activities	<u>(34,911)</u>	<u>—</u>	<u>(61,647)</u>	<u>(99,718)</u>	<u>—</u>	<u>(16,223)</u>	<u>(354,381)</u>	<u>(63)</u>	<u>(9,779)</u>
Financing activities									
Proceeds from borrowings	—	—	(121,275)	7,500	—	7,500	278,745	254,341	278,744
Repayments of borrowings	(121,275)	(26,736)	—	—	—	—	—	—	—
Return of corpus	—	(39,781)	(39,781)	—	(66,578)	(66,578)	—	(391,444)	(391,444)
Contribution towards equity	—	44,860	44,860	—	10,000	10,000	—	—	—
Distribution of income	—	—	—	—	(11,024)	(11,024)	—	—	—
Receipt of security deposit	107,400	—	107,400	—	—	—	—	—	—
Net cash flows from financing activities	<u>(13,875)</u>	<u>(21,657)</u>	<u>(8,796)</u>	<u>7,500</u>	<u>(67,602)</u>	<u>(60,102)</u>	<u>278,745</u>	<u>(137,103)</u>	<u>(112,700)</u>
Net increase in cash at bank and on hand	119,372	(8,390)	110,982	7,766	10,177	17,943	(9,390)	526	(8,864)
Cash at bank and on hand at beginning of year	40,563	10,710	51,273	32,797	533	33,330	42,187	7	42,194
Cash at bank and on hand at end of year	<u>159,935</u>	<u>2,320</u>	<u>162,255</u>	<u>40,563</u>	<u>10,710</u>	<u>51,273</u>	<u>32,797</u>	<u>533</u>	<u>33,330</u>

	Four months ended July 31,					
	2017			2016		
	AAPT	MPHT	Combined	AAPT	MPHT	Combined
	(Unaudited, A\$ in thousands)					
Operating activities						
Receipts from customers	134,788	84,211	134,787	132,290	7,234	132,290
Payments to suppliers and employees	(112,061)	(7,637)	(37,205)	(29,468)	(7,656)	(29,890)
Interest received	711	6	2,435	450	41	491
Finance costs paid	(30,242)	—	(30,242)	(29,979)	—	(29,979)
Net cash flows from operating activities	(6,804)	76,580	69,775	73,293	(381)	72,912
Investing activities						
Purchase of property, plant and equipment	(7,421)	—	(7,421)	(11,259)	—	(11,258)
Short term bank deposits	(310)	—	(309)	(309)	—	(309)
Payments from/repayments of related parties	16,317	—	16,317	(3,891)	—	(11,892)
Net cash flows used in investing activities	8,586	—	8,587	(15,459)	—	(23,459)
Financing activities						
Proceeds from borrowings	—	—	—	10,000	—	10,000
Payment of Distribution income	—	(78,008)	(78,008)	—	—	—
Receipt of security deposit	46,000	—	46,000	—	—	—
Advances to related parties	—	—	—	—	(8,000)	—
Net cash flows from financing activities	46,000	(78,008)	(32,008)	10,000	(8,000)	10,000
Net (decrease) in cash and cash equivalents	—	(1,428)	—	—	(8,381)	—
Net increase in cash and cash equivalents	47,782	—	46,354	67,834	—	59,453
Cash and cash equivalents at the beginning of the period	159,935	—	162,255	40,563	—	51,273
Cash and cash equivalents at 1 April/1 August	—	2,320	—	—	10,710	—
Cash at bank and on hand at end of year	207,717	892	208,609	108,397	2,329	110,726

EBITDA

The following table sets out our EBITDA calculations using financial information derived from the Combined Financial Information for fiscal 2017, fiscal 2016 and fiscal 2015 and the four month periods ended July 31, 2017 and 2016. EBITDA is a non-GAAP financial measure. Please see “Presentation of Financial and Other Information—Non-GAAP financial measures” for more information.

	For the four months ended July 31, (Unaudited)		For the year ended March 31,		
	2017	2016	2017	2016	2015
	(A\$ in thousands)				
Revenue	84,021	93,627	250,454	281,384	260,720
Other income	719	491	123,072	2,808	2,379
Operating expenses	(20,254)	(18,428)	(58,693)	(60,605)	(55,555)
Administration and general expenses	(3,521)	(5,136)	(17,958)	(15,889)	(16,226)
EBITDA⁽¹⁾	60,965	70,554	296,875	207,698	191,318
EBITDA margin⁽²⁾	71.9%	75.0%	79.5%	73.1%	72.7%

Note:

- (1) EBITDA is the aggregate of our revenue and other income less the aggregate of our operating expenses and administration and general expenses for the relevant period from continuing operations.
- (2) EBITDA margin is the ratio of EBITDA to the aggregate of our revenue and other income.

Certain financial ratios

The following table sets out our CFADs and CFCR calculations using financial information derived from the Combined Financial Information for fiscal 2017, fiscal 2016 and fiscal 2015. CFADs and CFCR are non-GAAP financial measures. Please see “Presentation of Financial and Other Information Non-GAAP financial measures” for more information.

	For the year ended March 31,		
	2017	2016	2015
Cashflow Available For Debt Service (CFADs) ¹ (A\$ in thousands)	200,660	191,400	205,063
Cashflow Cover Ratio (CFCR) ²	2.03	2.07	2.54

Note:

- (1) CFADs as defined in “Description of the Notes—Common Terms Deed—Certain Definitions”.
- (2) CFCR as defined in “Description of the Notes—Common Terms Deed—Certain Definitions”.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In the following section, we discuss our historical results of operations and financial condition as of and for the fiscal years ended March 31, 2017, 2016 and 2015, which we refer to as fiscal 2017, fiscal 2016 and fiscal 2015, and as of and for the four month periods ended July 31, 2017 and 2016, and management's assessment of the factors that may affect our prospects and performance in future periods.

You should read the following discussion and analysis in conjunction with the financial statements and the related notes of AAPT and the Trust and the combined financial information of AAPT and the Trust as a combined entity, together with the selected financial and operating data appearing elsewhere in this offering memorandum. See "Presentation of Financial and Other Information—Presentation of Financial Information" for important information regarding the basis of preparation of these financial statements and the combined financial information. The financial statements and the combined financial information of AAPT, the Trust and AAPT and the Trust as a combined entity have been audited by Ernst & Young and you should refer to the audit reports attached to the financial statements and the combined financial information included herein.

Certain information contained herein, including information with respect to our plans and expectations for our business and the terminal, contains forward-looking statements and involves risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in such forward-looking statements. You should consider carefully the factors set forth under the captions "Risk Factors" and "Forward-Looking Statements" for a discussion of important factors that could cause actual results to differ materially from any forward-looking statements contained in this offering memorandum.

Overview

We own and operate the Abbot Point Coal Terminal, a dedicated coal export terminal with a nameplate capacity of 50mtpa. The terminal is located in the Port of Abbot Point, approximately 25 km north of Bowen, in North Queensland on Australia's east coast. The Port of Abbot Point is Australia's northernmost coal port and one of only three coal ports located within 400 km of the Bowen Basin and the Galilee Basin, two of the most significant coal regions in Queensland. The terminal is connected to rail systems that service the major coal mines of the Bowen Basin.

In fiscal 2017, 26.3 million tonnes of coal was loaded through our terminal.

We earn revenue from the fees paid by our users under their long-term, take-or-pay User Agreements with us. User charges consist of the following components:

- Handling charges, which are effectively a pass-through of the charges that we are contractually obliged to pay to Abbot Point Operations Pty Ltd as operator of the terminal under the O&M Contract. These charges have a fixed component, which is payable regardless of the volume of coal loaded, and a variable component, which is based on actual usage. We pass these charges on to users on a similar basis. See "Risk Factors—We are currently in dispute with six of our users in relation to the fixed and variable handling charges to be charged by the Operator in contract year ending June 30, 2018" for a discussion of our current dispute with our users in respect of handling charges.
- Terminal charges, which take the form of either a "terminal infrastructure charge" or "TIC" payable with respect to volumes loaded or a "take or pay component" or "TPC" payable if a user ships less than its contracted tonnage. The charges are calculated under a formula that is designed to result in a contractually agreed return to us and to apportion the charges among users in accordance with their contracted volume

entitlements. Note that our calculation of the terminal charges for the period from July 1, 2017 to July 1, 2022 was challenged by the users and we are currently in arbitration with four of the users. See “—Significant Factors Affecting Our Results of Operations —User Agreements and Arbitration” below.

Subject to timing differences between the dates on which we pay the Operator and the dates on which we receive payments from users that may result in a mismatch within any given accounting period, revenue we receive from handling charges will be offset by corresponding costs payable to Abbott Point Operations as the operator of the terminal. Effectively, therefore, we rely on terminal charges to meet our operating expenses, pay lease payments for the right to operate the terminal, service our debt, pay tax and pay distributions to our owners.

AAPT, the Trust and presentation of financial information

As discussed under “Presentation of Financial Information”, we are presenting financial information on three bases:

- Standalone financial information for AAPT, the issuer of the Notes;
- Standalone financial information for the Trust, the guarantor of the Notes; and
- Combined financial information of AAPT and the Trust.

Because there are significant transactions between AAPT and the Trust, in order to understand the financial performance and position of each of them, and to understand the assets and business that support the respective obligations of the Issuer and the Trust under the Notes, it is important to understand the relationship between them.

Although AAPT and the Trust are separate entities, the contractual arrangements between them are fundamental to the way we operate the terminal. The Trust holds the leasehold to the land and fixtures that constitute the terminal under a series of leases from NQBP, an instrumentality of the Queensland government, and AAPT subleases the land and fixtures constituting the terminal from the Trust. The rent that the Trust pays to NQBP under its leases is fixed, while AAPT pays rent to the Trust based on a percentage of AAPT’s revenue. The rent that AAPT pays to the Trust is significantly higher than the rent that the Trust pays to NQBP. In addition, AAPT has made a loan of approximately A\$1.1 billion as at March 31, 2017 to the Trust, on which the Trust pays interest at market rates. The Trust used the proceeds of this loan to repay a portion of the bridging finance that the unitholder of the Trust, MPPL, incurred to acquire the lease over the terminal from NQBP.

The Trust has historically paid equity distributions to its unitholder, while AAPT has not paid distributions to its shareholder. Apart from holding the leasehold to the terminal and sub-leasing it to AAPT and the associated financing transactions, the Trust has no other operations. For the purposes of assessing impairment of non-financial assets, we treat the operating assets of AAPT and the Trust as a single cash-generating unit.

We are providing the combined financial information in order to assist investors to understand the financial position and results of operations of the obligor group with the effect of the transactions between AAPT and the Trust eliminated. Investors should note that AAPT and the Trust are separate entities, and that AAPT does not control the Trust. See “Description of the Notes” for a description of Noteholders’ rights against AAPT and the Trust, respectively.

The Common Terms Deed obliges us to prepare combined financial information for AAPT and the Trust and to calculate the Cashflow Cover Ratio with reference to the cash flows of both AAPT and the Trust.

The financial information relating to AAPT has been derived from its audited general purpose financial statements for fiscal 2017 and fiscal 2016 and its interim financial statements as of and for the four month periods ended July 31, 2017 and 2016, in each case included in this offering memorandum. The fiscal 2016 financial statements include comparative information as of and for fiscal 2015.

The financial information relating to the Trust has been derived from its audited general purpose financial statements for fiscal 2017 and fiscal 2016 and its interim financial statements as of and for the four month periods ended July 31, 2017 and 2016, in each case included in this offering memorandum. The fiscal 2016 financial statements include comparative information for fiscal 2015.

The financial statements for AAPT and the Trust have been prepared in accordance with Australian Accounting Standards (“AAS”) and other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and comply with AAS as issued by the AASB and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The combined financial information has been derived from audited combined financial information of AAPT and the Trust for fiscal 2017 and fiscal 2016 and the combined interim financial statements as of and for the four month periods ended July 31, 2017 and 2016, in each case included in this offering memorandum. The fiscal 2016 combined financial information includes comparative results for fiscal 2015. The combined financial information aggregates the results, assets and liabilities of AAPT and the Trust, eliminating intra-group balances and transactions between AAPT and the Trust, including unrealized gains and losses resulting from intra-group transactions and dividends between AAPT and the Trust. Investors should carefully review Note 2 to the combined financial information, which sets out the basis of preparation. In particular, investors should note that the combined financial information have been prepared in accordance with AAS except for the requirements of AASB 10 *Consolidated Financial Statements* and omit a number of note disclosures that would be required to be included in a general purpose financial report prepared in compliance with AAS.

You should read the financial statements, including the notes thereto, in conjunction with this Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Significant Factors Affecting Our Results of Operations

User Agreements and Arbitration

Substantially all of our revenues are derived from the handling charges and terminal charges paid by users of the terminal. A detailed description of the basis and calculation of these charges is set forth in “Description of the Users and the User Agreements—Key terms of the User Agreements—Charges”.

Handling charges have not historically had a significant effect on our operating results. This is because the handling charges are simply a pass-through to users of the costs payable by us to the Operator, apportioned among users according to the amount of coal handled by the terminal, subject to a true-up mechanism if the revenue generated by handling charges is higher or lower than actual costs payable to the Operator.

The rate of terminal charges that we charge users of the terminal is the most important driver of our revenue. Users are obliged to pay terminal charges as either a “terminal infrastructure charge,” or “TIC” for each tonne of coal delivered or a “take-or-pay charge,” or “TPC” for each

tonne of coal contracted to be delivered but not actually delivered by the user. Because the rate per tonne of coal is the same regardless of whether it is charged as a TIC or a TPC, we sometimes refer to terminal charges as “TIC/TPC”. The main difference to us whether we receive revenue in the form of a TIC or a TPC is the timing of payment, as described below.

Under the User Agreements, we set a TIC/TPC rate for each “review period” of five years. The current review period began on July 1, 2017 and expires on June 30, 2022. You should read the detailed description of the way this rate is calculated under “Description of the Users and the User Agreements—Key terms of the User Agreements—Charges” and review the complete formula in Appendix B to this offering memorandum. The following discussion is intended as a simplified guide to assist readers to understand the effect of the formula and not as a replacement for reviewing and understanding the formula itself.

In summary, the TIC/TPC formula yields a charge per tonne of coal that is designed to result in us receiving an appropriate annual rate of return over the review period. The mechanism for setting the rate for a review period involves the following steps:

1. calculating an “annual revenue requirement” based on the sum of:
 - a return on assets based on the depreciated value of the terminal, adjusted for capital expenditure, plus net working capital, multiplied by a contractually agreed weighted average cost of capital; plus
 - a calculation of depreciation of the terminal over its life; plus
 - forecast operating expenditure, calculated by reference to a series of matters set out in the formula; plus
 - an adjustment for forecast tax.
2. converting the annual revenue requirement for each year of the five-year review period into a net present value (“NPV”);
3. calculating a NPV for the tonnes of coal that are contracted to be handled by the terminal over the review period; and
4. dividing the NPV of the annual revenue requirement by the NPV of the tonnes of coal to be handled.

The resulting TIC/TPC price is escalated annually to reflect inflation.

The formula is complex and involves a number of estimates and calculations that can have a significant effect on the output of the formula and therefore on the revenue we receive over a review period. For example, the formula requires us to estimate future capital and operating expenses, the useful lives of assets and the weighted average cost of our capital, each of which involve significant aspects of judgment.

After we calculate a TIC/TPC price, users may dispute our calculation and invoke a dispute resolution process in their respective User Agreements that may ultimately escalate to binding arbitration. We and each user are also able to agree on a different price that will then apply to that user throughout the review period.

The current review period commenced on July 1, 2017. We notified users that we calculated the TIC/TPC for the review period beginning on July 1, 2017 at \$5.612 per tonne. All eight of our users that have contracted capacity during the current review period objected to the TIC/TPC price. We have settled the TIC/TPC with four of those eight users which represent approximately

53% of contracted capacity for the year from July 1, 2017 to June 30, 2018, and the remaining four users have initiated arbitral proceedings in accordance with the procedures prescribed by the User Agreements. These arbitral proceedings remain ongoing as of the date of this offering memorandum.

While we are subject to strict confidentiality restrictions in connection with both the settlements that we have reached and the continuing arbitral proceedings, the pricing outcome of the settlements is such that the weighted average TIC/TPC that we are entitled to receive from the four users with which we have settled the TIC/TPC, will not be less during the contractual year ending June 30, 2018 than the weighted average TIC/TPC which we were entitled to receive for all users during the three preceding contractual years.

We cannot be certain what TIC/TPC price will apply to the four users that are involved in the arbitration from July 1, 2017, and therefore what our revenue will be from those users. We estimate that for the contractual year ending June 30, 2018, for every 10 cent reduction by the arbitrator in the TIC/TPC we are allowed to charge these four users, there could be a corresponding A\$1.9 million decrease in our revenue for such period, based on the contracted tonnage of the relevant users during that time.

With respect to the previous review period, which ran from July 1, 2012 to June 30, 2017, we initially calculated the TIC/TPC at A\$4.91 per tonne. All of our nine users at that time objected to our calculation of that price. We settled with one of the nine users. The other eight users initiated arbitration proceedings under their respective User Agreements. We ultimately settled with these users and the weighted average TIC/TPC price for all the nine users was A\$4.180 per tonne for the first year of the review period. As a result of inflation adjustments over the review period, the price for the final year of the previous review period (i.e. between July 1, 2016 and June 30, 2017) was A\$4.543 per tonne.

Terminal rent

We lease the terminal under a series of 99 year Leases with NQBP, an instrumentality of the Queensland government. The Trust holds the Leases, and sub-leases the terminal to AAPT. AAPT pays rent to the Trust based on a formula that takes into account the revenue earned by the terminal, the costs of operating the terminal and the accounting value of the terminal assets. See “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Rent—Sub-Leases” for more detail. The total rent paid by AAPT to the Trust in fiscal 2017, fiscal 2016 and fiscal 2015 was A\$203.7 million, A\$168.3 million and A\$147.1 million, respectively.

The Trust pays rent to NQPB. The rent payable by AAPT to the Trust is not related to the rent payable by the Trust to NQPB. The Trust pays NQPB base rent, which was A\$0.7 million in fiscal 2017, plus a rehabilitation charge in the form of extra rent of A\$7.0 million per year. The rehabilitation charge is subject to review if estimates of rehabilitation costs change. For more information relating to rehabilitation charges see “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Rent—Head Leases”.

In the AAPT financial statements, the rent payable to the Trust is recorded as an expense under the line “Lease rent to Mundra Port Holdings Trust”. In the Trust financial statements, these amounts are recorded as revenue under the line “Lease rental revenue from Adani Abbot Point Terminal Pty Ltd”. Both amounts are eliminated in the combined financial information. The Trust’s obligations to pay rent to NQPB are recorded in both the Trust and combined financial information under “—Description of Key Line Items—Lease Rent To Mundra Port Holdings Trust”.

Finance costs and availability of funding

We have a significant amount of debt and the finance costs associated with that debt are substantial. During fiscal 2017, our average debt balance was A\$1,494.2 million and our total finance costs were A\$99.8 million. Our borrowings include bank debt and note issuances, fixed and floating rate instruments and Australian and U.S. dollar debt. See “—Liquidity and Capital Resources” below for more information on our outstanding debt.

We use derivative financial instruments such as swaps to hedge substantially all of our exposure to interest rate variability on our floating rate debt and to exchange rate movements on our non-Australian dollar debt. Taking into account our hedge positions, as of March 31, 2017, interest exposure on 96% of our borrowings was either fixed or hedged, and all of our foreign currency borrowing exposures were hedged or swapped back into Australian dollars. Under the Common Terms Deed, we are required to comply with a hedging policy that may only be changed with the consent of the Security Trustee. The policy requires us to ensure interest payments on at least 75% of all Senior Debt and Subordinated Debt outstanding is either subject to a fixed percentage interest rate or hedged in accordance with the hedging policy, or any combination of the two, and payments on at least 95% of all Senior Debt outstanding is either denominated in A\$ or subject to cross-currency hedging in accordance with the hedging policy, or any combination of the two. In addition, our weighted average cost of capital, which is used in the calculation the TIC/TPC that we are entitled to charge users, incorporates a factor that will increase the TIC/TPC as interest rates increase. This provides us with additional partial protection against the risk of increases in interest rates.

We will continue to incur new debt, principally to refinance our existing debt prior to its maturity. The interest rates payable on our new debt will reflect prevailing interest rates at the time, together with investor perceptions of our creditworthiness and the ratings issued by rating agencies on our debt from time to time. If market interest rates increase, or perceptions of our credit-worthiness decline, the interest rates we pay on new debt may be higher than our current debt and our finance costs will increase, possibly materially.

Contracted Capacity

Users pay TIC/TPC based on their contracted capacity. Since January 2012, when we completed an expansion of the terminal, the nameplate capacity of the terminal has been 50mtpa. There are currently nine users contracted to use the terminal: Glencore Coal Queensland, Lake Vermont (on behalf of the joint venture comprising QCMM (Lake Vermont Holdings) Pty Ltd, Marubeni Coal Pty Ltd, CHR Vermont Pty Ltd and Coranar (Australia) Pty Ltd (the “Lake Vermont Joint Venture”)), Byerwen, BHP Mitsui, QCoal, the Sonoma JV, Clermont, Adani Mining and Middlemount. The current contracted capacity for contract year ending June 30, 2018 and June 30, 2019 is 40.7mtpa. From July 1, 2019, the Sonoma JV’s contracted tonnage reduces by 3.5mtpa to 0.5mtpa from 4.0mtpa for the remaining period of its contract, which will reduce contracted capacity to 37.2mtpa. Glencore Coal Queensland’s contract for 13mtpa terminates on June 30, 2020 which would reduce contracted capacity to 24.20mtpa. We have reached agreement with Glencore Coal Queensland to extend its User Agreement until June 30, 2022, however Glencore Coal Queensland is not required to nominate its final capacity requirements for the extension period until June 30, 2018 and any such nomination may be for materially lower capacity than it currently contracts for. The User Agreements set out an agreed procedure in relation to extensions of term. This mechanism is designed to provide each User with certainty that it will be entitled to extend the term of its User Agreement should it wish to do so, and at the same time to provide us with sufficient time to ensure renewal of each User Agreement or to replace any user whose User Agreement has expired with an alternate user or access seeker. See further “Description of the Users and the User Agreements—Key terms of the User Agreements—Term and extension”.

The following table shows the currently contracted capacity for each contract year from the contract year ending June 30, 2018 to the contract year ending June 30, 2028.

<u>Year ending June 30,</u>	<u>Contracted capacity (mtpa)</u>
2018	40.70
2019	40.70
2020	37.20
2021	24.20
2022	24.20
2023	33.50
2024	33.50
2025	33.21
2026	33.00
2027	29.40
2028	21.80

The contracted capacity for each of the contract years as stated in the table above does not reflect any renewal of any contracted capacity which may occur in the future in accordance with the terms of the User Agreements. The contracted capacity for each of the contract years will be taken into account by the pricing mechanism set out in the User Agreements. Broadly, the pricing mechanism is designed to result in us receiving an appropriate rate of return over the review period, which is achieved through calculating the TIC and TPC so that we receive the net present value of the forecast annual revenue requirement for the relevant period. The ARR is calculated after taking into account factors such as the depreciated asset value of the terminal, economic depreciation, operating expenditure, tax and an appropriate weighted average cost of capital, and does not consider the contracted capacity of the terminal or whether or not the capacity of the terminal is fully contracted up to the terminal’s nameplate capacity. A detailed description of the basis and calculation of these charges is set forth in “Description of the Users and the User Agreements—Key terms of the User Agreements—Charges”. Accordingly, in the case of the anticipated decreases in our contracted capacity identified above, we do not expect that such decreases will materially affect the net present value of ARR which we expect to receive from our users for the relevant review period. This is because the TIC/TPC for the relevant review period will be set higher than it otherwise would have been, in the absence of such decreases in contracted capacity. Similarly, in the case of the anticipated increases in our contracted capacity identified above, we do not expect that such increases will materially affect the net present value of ARR which we expect to receive from our users for the relevant review period.

Timing of reimbursements

Under the User Agreements, payments for TIC and handling charges are made monthly, reflecting the volume of coal users delivered in the previous month. However, TPC charges and any catch-up payments in relation to handling charges are only calculated and paid at the end of each contract year. As a result, if users deliver less than their contracted capacity over a contract year, we experience a delay in receiving payments in connection with that portion of the contracted capacity. The coal delivery schedule of the user is normally dependent on mine production, inventory level and their commitments to buyers. In fiscal 2017, fiscal 2016 and fiscal 2015, 39%, 45% and 42% of our total terminal charges revenue consisted of TPC payments.

Because we are required to make payments to the Operator under the O&M Contract and to our creditors at shorter intervals: monthly in the case of the Operator, and every three or six months in the case of interest payments, we can experience a significant mismatch between the timing of payments we are required to make and the timing of the payments we receive from users.

Prior to October 2016, we had in place a working capital facility to assist us to manage the liquidity issues resulting from this mismatch. We believe that we currently have sufficient liquidity from operating cash flow to manage our business without this facility, however, we may reinstate it in the future if we consider it appropriate.

Impairment and fair valuation

Movements in the carrying values of our assets can have a significant impact on our total and net asset positions and on our financial results for any period in which a change in value occurs. We value assets at their historical cost, less the accumulated amortization and depreciation charges that we incur each reporting period, unless the asset is impaired, in which case we recognize any write-down as a charge in our income statement, as discussed below.

Non-financial assets

For non-financial assets other than goodwill, we assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, we make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. For the purposes of impairment testing the property, plant and equipment and intangibles acquired through business combinations have been allocated to a single cash generating unit comprising the operations of both AAPT and the Trust. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Goodwill is not subject to amortization; and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 35 years and do not include any future investments that may enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows. The key assumptions used to determine the recoverable amount for the different cash generating units, are disclosed and further explained in Note 15 to the fiscal 2017 AAPT financial statements included in this offering memorandum. The discount rate applied to cash flow projections from our financial budget covering a period of 35 years was 9% for fiscal 2017. To the extent any material assumptions in our budget including the business conditions to which we are subject, our weighted average cost of capital and various factors affecting our business differ, we could incur significant impairment charges.

Loans and receivables

We initially recognize Loans and receivables at fair value and subsequently measure them at amortized cost using the effective interest method, less an allowance for impairment. Due to their short-term nature we do not discount. We review collectability of receivables on an on-going basis.

With respect to the issuer's shareholder loan to AAPT Holdings, we do not expect that AAPT Holdings will have sufficient funds to repay the A\$334.9 million owed, as at March 31, 2017, under that loan from its own resources or that the loan will be repaid in cash at any time in the future. Rather, we anticipate that this loan will ultimately be repaid by way of set-off against a return of shareholder capital, and accordingly, our financial statements will, for the period in which the set-off takes place, reflect a reduction of shareholder capital (through a debit entry in

the capital account) and a corresponding reduction in the shareholder loan (through a credit entry in the asset account). See “Risk Factors—Risks related to the terminal and our operations—The Shareholder Loan granted by us to AAPT Holdings may not be repaid at any time in the future and, as such, investors should not consider it to be one of our assets or within our capitalization”.

Critical Accounting Policies

We have prepared the financial statements contained elsewhere in this offering memorandum in accordance with Australian Accounting Standards. Our significant accounting policies are more fully described in Note 2 to each of the AAPT, the Trust and combined financial information of AAPT and the Trust included in this offering memorandum.

Preparation of our financial statements requires our management to make estimates and judgments under the critical accounting policies that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

The critical accounting policies that our management believes are significant, and the key areas of management judgment, estimation and assumption in preparing our financial statements are described in Note 3 to each of the AAPT, the Trust and combined financial information of AAPT and the Trust for fiscal 2017 included in this offering memorandum. Note 3 discusses issues related to:

- Impairment of non-financial assets;
- Deferred tax assets;
- Useful lives of assets
- Recoverability of trade receivables; and
- Fair value of derivatives.

Description of Key Line Items

The following table sets out our statement of comprehensive income/(loss) extracted from the Issuer's Financial Statements and the Trust's Financial Statements and the Combined Financial Information for each of the periods indicated.

	For the year ended March 31,								
	2017			2016			2015		
	AAPT	Trust	Combined	AAPT	Trust	Combined	AAPT	Trust	Combined
	(A\$ thousands)								
Revenue	250,454	—	250,454	281,384	—	281,384	260,720	—	260,720
Lease revenue from AAPT	—	203,663	—	—	168,333	—	—	147,109	—
Other income	190,015	55	123,072	68,532	55	2,808	62,284	8	2,379
Depreciation and amortization	(22,522)	(37,693)	(60,215)	(16,559)	(38,727)	(55,286)	(15,355)	(38,696)	(54,051)
Administration and general expenses	(10,172)	(7,785)	(17,958)	(8,294)	(7,595)	(15,889)	(8,573)	(7,654)	(16,226)
Lease rent to MPH	(203,663)	—	—	(168,333)	—	—	(147,109)	—	—
Net operating expenses	(58,693)	—	(58,693)	(60,605)	—	(60,605)	(55,555)	—	(55,555)
Foreign exchange gain/(loss)	129	(364)	(235)	(2,644)	2,383	(261)	(964)	(27,201)	(28,165)
Finance costs	(96,884)	(69,876)	(99,761)	(91,539)	(68,636)	(94,396)	(82,537)	(62,542)	(85,167)
Profit before tax	<u>48,664</u>	<u>88,000</u>	<u>136,664</u>	<u>1,942</u>	<u>55,813</u>	<u>57,755</u>	<u>12,911</u>	<u>11,024</u>	<u>23,935</u>
Income tax expenses	(12,453)	—	(12,453)	(617)	—	(617)	(3,874)	—	(3,874)
Profit	<u>36,211</u>	<u>88,000</u>	<u>124,211</u>	<u>1,325</u>	<u>55,813</u>	<u>57,138</u>	<u>9,037</u>	<u>11,024</u>	<u>20,061</u>
Net movement in fair value of cash flow hedges, net of tax	5,051	(5,791)	(740)	6,631	4,527	11,158	(25,290)	31,084	5,794
Total comprehensive income/(loss) for the year	<u>41,262</u>	<u>82,209</u>	<u>123,471</u>	<u>7,956</u>	<u>60,340</u>	<u>68,296</u>	<u>(16,253)</u>	<u>42,108</u>	<u>25,855</u>

	Four months ended July 31,					
	2017			2016		
	AAPT	MPHT	Combined	AAPT	MPHT	Combined
	(A\$ thousands)					
Revenue	84,021	—	84,021	93,627	—	93,627
Lease revenue from AAPT	—	40,935	—	—	52,752	—
Other income	22,727	6	719	22,289	41	491
Depreciation and amortisation	(5,296)	(12,532)	(17,828)	(5,517)	(12,732)	(18,249)
Administration and general expenses	(999)	(2,522)	(3,521)	(2,477)	(2,659)	(5,136)
Lease rent to MPH	(40,935)	—	—	(52,752)	—	—
Foreign exchange gain/(loss), net	2,663	8,140	10,803	(35)	(3,399)	(3,434)
Operating expenses	(20,254)	—	(20,254)	(18,428)	—	(18,428)
Finance costs	(29,327)	(22,969)	(30,282)	(28,946)	(22,770)	(29,877)
Profit before tax	12,600	11,058	23,658	7,761	11,233	18,994
Income tax expenses	(3,779)	—	(3,779)	(2,328)	—	(2,328)
Profit	8,821	11,058	19,879	5,433	11,233	16,666
Other comprehensive income/(loss)						
Net movement in fair value of cash flow hedges, net of tax	1,382	(8,348)	(6,966)	(4,585)	1,658	(2,927)
Total comprehensive income/(loss) for the year	10,203	2,710	12,913	848	12,891	13,739

Unless otherwise indicated, the discussion below relates to the statement of comprehensive income/(loss) in the combined financial information of AAPT and the Trust.

Revenue

The charges paid by the users under the User Agreements make up substantially all of our revenue. As discussed above, we recognize both handling charges and terminal charges as revenue, although the handling charges generally correspond (subject to timing differences) with the amounts we pay the Operator under the O&M Contract.

The table below sets forth a breakdown of revenue by category of charges for the periods indicated:

	For the year ended March 31,		
	2017	2016	2015
	(A\$ million)		
Handling Charges Fixed (HCF)	49.3	52.3	41.9
Handling Charges Variable (HCV)	6.2	8.3	13.6
Take-or-Pay Charges (TPC)	75.5	100.2	85.9
Terminal Infrastructure Charges (TIC)	119.4	120.5	119.3
Total Revenue	250.4	281.3	260.7

Other income

The interest payable by the Trust to AAPT on the intragroup loan is recorded as other income in AAPT's income statement, however, it is eliminated in the combined financial information. The remainder of other income in the AAPT, Trust and combined financial information primarily reflects interest income from bank balances in the Debt Service Reserve Account and Operating Reserve Account which may only be used in accordance with the requirements of the Common Terms Deed with our lenders, as well as interest income from short-term deposits.

Other income for the fiscal 2017 also included A\$117.0 million of income we received on termination of a User Agreement and A\$3.5 million we received from the Operator in connection with the change of control of the O&M Subcontractor, each as described below.

Operating expenses

Our operating expenses consist entirely of payments to the Operator under the O&M Contract. Under the User Agreements, we are entitled to pass on to the users substantially all of our payments to the Operator to the users. Under the O&M Contract, the Operator is entitled to charge us an amount equal to all of its fixed and variable operating costs, plus a margin of up to 10%. For miscellaneous services required by some users but not others (such as compaction, and windrow dozing) our ability to pass through the relevant charges under the User Agreements depends on the Operator's costs being reasonable. As a result, in each accounting period, the operating expenses we recognize will generally be equal to the handling charges revenue we recognize (although there may be timing differences in the actual payment of cash for such expenses and charges).

Lease rent to Mundra Port Holdings Trust

The AAPT financial statements record amounts paid to the Trust as rent for the use of the terminal. These amounts appear as revenue in the Trust financial statements. In the combined financial information, these amounts are eliminated. As described above, the rent that AAPT pays the Trust is based on a formula that takes into account the revenue earned by the terminal, the costs of operating the terminal and the accounting value of the terminal assets, and does not correspond to the rent that the Trust pays to NQBP as lessor of the terminal.

Administration and general expenses

AAPT's administrative and general expenses include salaries, office rental expenses and travel expenses largely related to our employees and our offices in Brisbane and at the terminal and legal expenses for matters related to the O&M Agreement and User Agreements. Certain of our administrative and general expenses are subject to arrangements with Adani Mining whereby we share the services of certain management and administrative employees and other resources with Adani Mining and reimburse Adani Mining for our share of their costs, plus a 10% mark-up. See "Certain Relationships and Related-Party Transactions—Shared Services and Charges Agreement".

The Trust's administration and general expenses include the rent payable to NQBP under the Onshore Lease Agreement, including the rehabilitation charges payable in the form of extra rent. The Trust is required to pay the rehabilitation charges, which constitute the amounts necessary to rehabilitate the land connected with the terminal to a pre-development condition having regard to the latest rehabilitation plan, to NQBP each June until 2042. For more information relating to rehabilitation charges see "—Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Rent—Head Leases".

Depreciation and amortization

These costs relate to depreciation of plant, property and equipment and amortization of certain intangible assets, including the User Agreements.

When presented on an aggregated basis in the combined financial information, these costs include depreciation and amortization related to the assets held by the Trust, including, primarily, buildings, electrical installations, land held under the Leases, marine structures and plant and machinery at the terminal.

Finance costs

Finance costs include interest payments on our outstanding bank borrowings and note issuances together with any gain or loss on our interest rate and currency swaps that do not qualify for hedge accounting and amortization of certain deferred financing costs.

Income tax expenses

Income tax expenses are calculated on the income of AAPT. The Trust by itself does not pay any tax, hence, no expenses are recognized. The income of the trust is taxable at the hands of the unitholders once distributed.

Results of Operations

Four months ended July 31, 2017 compared to four months ended July 31, 2016

AAPT's profit for the four months ended July 31, 2017 was A\$8.8 million, an increase of A\$3.4million, or 62.4% from A\$5.4 million in the four months ended July 31, 2016. The result primarily reflected a A\$9.6 million decrease in revenue being more than offset by an A\$11.8 million decrease in rent payable to the Trust, reflecting the lower user revenue.

The Trust's profit for the four months ended July 31, 2017, was A\$11.1 million, a decrease of A\$0.2 million, or 1.6%, from A\$11.2 million in the four months ended July 31, 2016. The flat result was the product of the A\$11.8 million decrease in rent revenue from AAPT being offset by an A\$11.5 million turnaround from a foreign exchange loss of A\$3.4 million in the four months ended July 31, 2016 to a A\$8.1 million gain in the four months ended July 31, 2017.

On a combined basis, profit for the four months ended July 31, 2017 was A\$19.8 million, an increase of A\$3.2 million, or 19.2%, compared to A\$16.7 million in the four months ended July 31, 2016. This primarily reflects the A\$9.6 million decrease in revenue from users being more than offset by a A\$14.2 million turnaround from a foreign exchange loss of A\$3.4 million to a A\$10.8 million gain.

Revenue

Our revenue from users decreased by A\$9.6 million, or 10.3%, from A\$93.6 million in the four months ended July 31, 2016 to A\$84.0 million in the four months ended July 31, 2017. The decrease in revenue was primarily due to a decrease in take-or-pay charges as a result of decreased contracted tonnage following termination of the Queensland Coal user agreement, partially offset by an increase in our average TIC/TPC charged to users under the User Agreements from A\$4.51 per tonne in the four months ended July 31, 2016 to A\$4.69 per tonne in the four months ended July 31, 2017.

As noted above under “—Significant Factors Affecting our Results of Operations—User Agreements and Arbitration”, from July 1, 2017 (that is, the last month of the four month period ended July 31, 2017), new TIC/TPC rates applied to each of our users. For the four users with

which we have settled a TIC/TPC rate for the current period, we have accrued revenue since July 1 based on the agreed rates. For the four users that have initiated arbitral proceedings disputing our TIC/TPC calculation, we have accrued revenue since July 1, 2017 at the notified rate. If the rate determined by the arbitration process or at which we settle with these four users is lower than the notified rate, our revenue for the period will be lower than indicated.

To the extent the TIC or TPC rate agreed with the users or determined by arbitration are different to the rate notified to the users, for every \$0.10 per tonne difference, our TIC or TPC revenue will vary by approximately A\$1.9 million for the contract year ending June 30, 2018 which approximates to A\$160,000 for the period ended July 31, 2017 (representing the impact relating to the month of July 2017 only). See Note 3 to the AAPT Interim Financial Statements for more information.

The following table sets out key operational measures that affected our revenue in the four months ended July 31, 2017 and the four months ended July 31, 2016.

	Four months ended July 31,		
	2017	2016	Percentage change
Total contracted tonnage (mt)	13.6	16.67	-18%
Average monthly contracted tonnage (mt)	3.39	4.17	-18%
Average TIC/TPC (A\$ per tonne)	4.69	4.51	4%
Actual cargo handled (mt)	8.37	9.17	-9%
Average monthly TIC revenue (A\$ million)	9.88	10.34	-4%

Other income

On a combined basis, other income increased by A\$0.2 million from A\$0.5 million in the four months ended July 31, 2016 to A\$0.7 million in the four months ended July 31, 2017.

Operating expenses

Our operating expenses increased by A\$1.82 million, or 9.91%, from A\$18.42 million in the four months ended July 31, 2016 to A\$20.25 million in the four months ended July 31, 2017, due primarily to an increase in the HCV/HCF rate during the period. These expenses correspond to the A\$19.37 million and A\$18.42 million of handling charges payable by users recognized in those periods.

Administrative and general expenses

AAPT's administrative and general expenses decreased by A\$1.47 million, or 59.7%, from A\$2.5 million in the four months ended July 31, 2016 to A\$1.0 million in the four months ended July 31, 2017. The Trust's administrative and general expenses decreased by A\$0.1 million, or 5.16%, from A\$2.7 million in the four months ended July 31, 2016 to A\$2.5 million in the four months ended July 31, 2017. On a combined basis, administrative and general expenses decreased A\$1.6 million, or 31.4%, from A\$5.1 million in the four months ended July 31, 2016 to A\$3.5 million in the four months ended July 31, 2017.

EBITDA

Our combined EBITDA was A\$60.96 million for the four months ended July 31, 2017, a decrease of A\$9.59 million, or 13.6%, compared to A\$70.55 million in the four months ended July 31, 2016, primarily due to a decrease in our other income during the four months ended July 31, 2017. Our EBITDA margin in the four months ended July 31, 2017 was 72%.

Depreciation and Amortization

AAPT recognized A\$5.3 million of amortization in the four months ended July 31, 2017, a decrease of approximately A\$0.2 million, or 4.0%, compared to A\$5.5 million in the four months ended July 31, 2016.

The Trust recognized A\$12.5 million of depreciation on the terminal and related assets in the four months ended July 31, 2017, a decrease of A\$0.1 million, or 1.57%, compared to A\$12.7 million in the four months ended July 31, 2016.

On a combined basis, depreciation and amortization was A\$17.82 million in the four months ended July 31, 2017, a decrease of A\$0.4 million, or 2.3%, compared to A\$18.2 million in the four months ended July 31, 2016.

Foreign exchange loss

AAPT had a foreign exchange gain of A\$2.7 million in the four months ended July 31, 2017, compared to a negligible loss in the four months ended July 31, 2016. The Trust had a foreign exchange gain of A\$8.1 million in the four months ended July 31, 2017, compared to a loss of A\$3.4 million in the four months ended July 31, 2016. On a combined basis, we had a foreign exchange gain of A\$10.8 million in the four months ended July 31, 2017, compared to a loss of A\$3.4 million in the four months ended July 31, 2016. These gains and losses largely related to the movement in the exchange rate between the functional currency of the combined entity against the U.S. dollar.

Finance costs

AAPT's finance costs increased by A\$0.4 million, or 1.3%, from A\$28.9 million in the four months ended July 31, 2016 to A\$29.3 million in the four months ended July 31, 2017. The Trust's finance costs increased by A\$0.2 million, or 0.9%, from A\$22.8 million in the four months ended July 31, 2016 to A\$23.0 million in the four months ended July 31, 2017. On a combined basis, finance costs increased A\$0.4 million, or 1.4%, from A\$29.9 million in the four months ended July 31, 2016 to A\$30.3 million in the four months ended July 31, 2017. The increase was due to an increase in borrowing costs as a result of Moody's downgrading our credit rating from Baa3 to Ba2 in March 2016.

Fiscal 2017 compared to fiscal 2016

AAPT's profit for fiscal 2017 was A\$36.2 million, an increase of A\$34.9 million from A\$1.3 million in fiscal 2016. The result reflected an increase of A\$121.5 million in other income, primarily resulting from a A\$117.0 million payment to AAPT on termination of the Queensland Coal user agreement, as described below. This increase was offset by a A\$30.9 million decrease in revenue, a A\$35.3 million increase in rent expenses paid/payable to the Trust, a A\$6.0 million increase in depreciation and amortization and a A\$5.3 million increase in finance costs. The income tax expense increased by A\$11.8 million as a result of the increase in the profit before tax.

The Trust's profit for fiscal 2017 was A\$88.0 million, an increase of A\$32.2 million, or 57.7%, from A\$55.8 million in fiscal 2016. This increase primarily reflected the A\$35.3 million increase in rent revenue from AAPT.

On a combined basis, profit for fiscal 2017 was A\$124.2 million, an increase of A\$67.1 million, or 117.4%, compared to A\$57.1 million in fiscal 2016. This primarily reflects the A\$117.0 million income on account of termination of the Queensland Coal user agreement, partially offset by a A\$30.9 million decrease in revenue from the users, a A\$4.9 million increase in depreciation and amortization and a A\$5.4 million increase in finance costs.

Revenue

Our revenue from users decreased by A\$30.9 million, or 11.0%, from A\$281.4 million in fiscal 2016 to A\$250.5 million in fiscal 2017. The decrease in revenue was primarily due to a decrease in take-or-pay charges as a result of decreased contracted tonnage on termination of the Queensland Coal user agreement, partially offset by an increase in our average TIC/TPC charged to users under the user agreements from A\$4.42 per tonne in fiscal 2016 to A\$4.53 per tonne in fiscal 2017.

The following table sets out key operational measures that affected our revenue in fiscal 2017 and fiscal 2016.

	For the year ended March 31,		
	2017	2016	Percentage change
Total contracted tonnage (mt)	43.02	49.90	(13.8%)
Average monthly contracted tonnage (mt)	3.59	4.16	(13.7%)
Average TIC/TPC (A\$ per tonne)	4.53	4.42	2.4%
Actual cargo handled (mt)	26.30	26.88	(2.2%)
Average monthly TIC revenue (A\$ million)	9.95	10.05	(0.1%)

Other income

On a combined basis, other income increased by A\$120.3 million from A\$2.8 million in fiscal 2016 to A\$123.1 million in fiscal 2017. The increase was largely due to the \$117.0 million payment received/receivable from Queensland Coal on early termination of its user agreement. Queensland Coal's User Agreement covered 159.6 million tonnes of capacity from July 1, 2011 to June 30, 2028. Following a review of its future capacity requirements, it approached us to relinquish its capacity for the period from July 1, 2016 to June 30, 2022. Following negotiations, it agreed to pay us A\$117.0 million in consideration of the termination of the user agreement and relinquishment of the capacity.

Other income included A\$3.5 million received from the Operator in connection with the change of control of the O&M Subcontractor. The Operator paid this amount in consideration for us procuring that the O&M Subcontractor cease providing services in advance of the scheduled termination date of June 30, 2020.

Operating expenses

Our operating expenses decreased by A\$1.9 million, or 3.2%, from A\$60.6 million in fiscal 2016 to A\$58.7 million in fiscal 2017 due primarily to lower cargo handled during the year. These expenses correspond to the A\$60.6 million and A\$55.5 million of handling charges payable by users recognized in those periods.

Administrative and general expenses

AAPT's administrative and general expenses increased by A\$1.9 million, or 22.6%, from A\$8.3 million in fiscal 2016 to A\$10.2 million in fiscal 2017. This increase was largely due to an increase in the legal fees associated with the settlement of the dispute with the previous operator of the terminal. The Trust's administrative and general expenses increased by A\$0.2 million, or 2.5%, from A\$7.6 million in fiscal 2016 to A\$7.8 million in fiscal 2017. On a combined basis, administrative and general expenses increased A\$2.1 million, or 13.0%, from A\$15.9 million in fiscal 2016 to A\$18.0 million in fiscal 2017.

EBITDA

Our EBITDA was A\$296.9 million in fiscal 2017, an increase of A\$89.2 million, or 42.9%, compared to A\$207.7 million in fiscal 2016, primarily due to an increase in our other income during fiscal 2017. Our EBITDA margin in fiscal 2017 was 79.5%, an increase of 6.4% compared to the EBITDA margin for fiscal 2016, primarily due to an increase in our other income during fiscal 2017.

Depreciation and Amortization

AAPT recognized A\$22.5 million of amortization in fiscal 2017, an increase of approximately A\$6.0 million, or 36.0%, compared to A\$16.6 million in fiscal 2016, primarily due to accelerated amortization of the User Agreement and customer relationship intangible asset related to the Queensland Coal user agreement, which was terminated during the year.

The Trust recognized A\$37.7 million of depreciation on the terminal and related assets in fiscal 2017, a decrease of A\$1.0 million, or 2.7%, compared to A\$38.7 million in fiscal 2016.

On a combined basis, depreciation and amortization was A\$60.2 million in fiscal 2017, an increase of A\$4.9 million, or 8.9%, compared to A\$55.3 million in fiscal 2016.

Foreign exchange loss

AAPT had a foreign exchange gain of A\$0.1 million in fiscal 2017, compared to a loss of A\$2.6 million in fiscal 2016. The Trust had a foreign exchange loss of A\$0.4 million in fiscal 2017, compared to a gain of A\$2.4 million in fiscal 2016. On a combined basis, the foreign exchange loss decreased slightly from A\$0.3 million in fiscal 2016 to A\$0.2 million in fiscal 2017. These gains and losses largely related to the movement in the exchange rate between the functional currency of the combined entity against the U.S. dollar.

Finance costs

AAPT's finance costs increased by A\$5.3 million, or 5.8%, from A\$91.5 million in fiscal 2016 to A\$96.9 million in fiscal 2017.

The Trust's finance costs increased by A\$1.2 million, or 1.8%, from A\$68.6 million in fiscal 2016 to A\$69.9 million in fiscal 2017.

On a combined basis, finance costs increased by A\$5.4 million, or 5.7%, from A\$94.4 million in fiscal 2016 to A\$99.8 million in fiscal 2017. The increase was due to increase in the borrowing costs as a result of Moody's downgrading our credit rating from Baa3 to Ba2 in March 2016.

Fiscal 2016 compared to fiscal 2015

AAPT's profit for fiscal 2016 was A\$1.3 million, a decrease of A\$7.7 million, or 85.3%, from A\$9.0 million in fiscal 2015. The result reflected a A\$20.7 million increase in revenue and a A\$6.2 million increase in other income being more than offset by a A\$21.2 million increase in rent payments to the Trust, A\$5.0 million increase in operating expenses and a A\$9.0 million increase in finance costs.

The Trust's profit for fiscal 2016 was higher at A\$55.8 million, an increase of A\$44.8 million, or 406.3%, from A\$11.0 million in fiscal 2015. This increase reflected the higher rent revenue from AAPT of A\$21.2 million and a A\$2.3 million foreign exchange gain compared to a

A\$27.2 million foreign exchange loss in fiscal 2015, partially offset by a A\$6.1 million increase in finance costs. The foreign exchange loss in fiscal 2015 was as a result of the exposure of a US\$145 million loan from AAPT to the depreciation of the A\$ against the US\$ during the fiscal year.

On a combined basis, profit for fiscal 2016 was A\$57.1 million, an increase of A\$37.1 million, or 184.8%, compared to A\$20.1 million in fiscal 2015. This reflects the increase in AAPT's revenue and the foreign exchange gain in fiscal 2016 compared to the loss in fiscal 2015, partially offset by a A\$9.2 million increase in finance costs on a combined basis.

Revenue

Our revenue increased by A\$20.6 million, or 7.9%, from A\$260.7 million in fiscal 2015 to A\$281.4 million in fiscal 2016. The increase in revenue was due to an increase in our average TIC/TPC charged to users under the User Agreements from A\$4.23 per tonne in fiscal 2015 to A\$4.42 per tonne in fiscal 2016 and an increase in the actual cargo handled from 22.01 million tonnes in fiscal 2015 to 26.87 million tonnes in fiscal 2016.

The following table sets out key operational measures that affected our revenue in fiscal 2016 and fiscal 2015.

	For the year ended March 31,		
	2016	2015	Percentage change
Total contracted tonnage (mt)	49.90	48.55	2.8%
Average monthly contracted tonnage (mt)	4.16	4.05	2.7%
Average TIC/TPC (A\$ per tonne)	4.42	4.23	4.7%
Actual cargo handled (mt)	26.88	28.40	(5.4%)
Average monthly TIC revenue (A\$ million)	10.05	9.94	(0.4%)

Other income

On a combined basis, other income increased by A\$0.4 million, or 18.0%, from A\$2.4 million in fiscal 2015 to A\$2.8 million in fiscal 2016.

Operating expenses

Our operating expenses increased by A\$5.0 million, or 9.0%, from A\$55.6 million in fiscal 2015 to A\$60.6 million in fiscal 2016 due primarily to the increase in the actual cargo handled from 22.01 million tonnes in fiscal 2015 to 26.87 million tonnes in fiscal 2016. These expenses correspond to the A\$55.6 million and A\$60.6 million of handling charges payable by users recognized in those periods.

Administrative and general expenses

AAPT's administrative and general expenses declined A\$0.3 million, or 3.3%, from A\$8.6 million in fiscal 2015 to A\$8.3 million in fiscal 2016. The Trust's administrative and general expenses declined A\$0.1 million, or 0.8%, from A\$7.7 million in fiscal 2015 to A\$7.6 million in fiscal 2016. On a combined basis, administrative and general expenses declined A\$0.3 million, or 2.0%, from A\$16.2 million in fiscal 2015 to A\$15.9 million in fiscal 2016.

EBITDA

Our EBITDA was A\$207.7 million in fiscal 2016, an increase of A\$16.4 million, or 8.6%, compared to A\$191.3 million in fiscal 2015, primarily due to the 7.9% increase in our revenue during fiscal 2016. Our EBITDA margin in fiscal 2016 was 73% and, notwithstanding our increased EBITDA in fiscal 2016, was largely unchanged from our EBITDA margin of 73% in fiscal 2015 due to a corresponding 9% increase in our operating expenses in fiscal 2015.

Depreciation and Amortization

AAPT recognized A\$16.6 million of amortization in fiscal 2016, an increase of A\$1.2 million, or 7.8%, compared to A\$15.4 million in fiscal 2015 due primarily to the full year's depreciation charge in fiscal 2016 on the capital expenditures (including A\$47.1 million spent refurbishing Shiploader 1, including strengthening works to the structure, replacing critical mechanical component and a full electrical replacement) incurred during fiscal 2015.

The Trust recognized A\$38.7 million of depreciation on the terminal and related assets in both fiscal 2016 and fiscal 2015.

On a combined basis, depreciation and amortization was A\$55.3 million in fiscal 2016, an increase of A\$1.2 million, or 2.3%, compared to A\$54.0 million in fiscal 2015.

Foreign exchange loss

AAPT's foreign exchange losses totaled A\$2.6 million, an increase of A\$1.6 million, or 174.3%, from A\$1.0 million in fiscal 2015. The Trust had a foreign exchange gain of A\$2.4 million in fiscal 2016, compared to a loss of A\$27.2 million in fiscal 2016. The foreign exchange loss in fiscal 2015 was as a result of the exposure of a US\$145 million loan from AAPT to the depreciation of the A\$ against the US\$ during the fiscal year. On a combined basis, the foreign exchange loss decreased from A\$28.2 million in fiscal 2015 to A\$0.3 million in fiscal 2016.

Finance costs

AAPT's finance costs increased by A\$9.0 million, or 10.9%, from A\$82.5 million in fiscal 2015 to A\$91.5 million in fiscal 2016. The increase was due to a A\$5.3million increase in net loss on cash flow hedges and the full year impact of the increase in borrowings in fiscal 2015.

The Trust's finance costs increased by A\$6.1 million, or 9.7%, from A\$62.5 million in fiscal 2016 to A\$68.6 million in fiscal 2017.

On a combined basis, finance costs increased in fiscal 2016 by A\$9.2 million, or 10.8%, from A\$85.2 million in fiscal 2015 to A\$94.4 million in fiscal 2016.

Liquidity and Capital Resources

We fund our operations, including interest payments on our substantial debt and distributions to our owners with cash generated by the business, together with short-term borrowings under our working capital facility. When our business was formed, we incurred a significant amount of bank debt to refinance the debt incurred by members of the Adani Group to acquire our assets. We have refinanced that debt with issuances of debt securities and a syndicated bank facility and will continue to depend on further extensions or renewals of our bank facility and/or issuances of debt securities to meet our obligations to repay principal on our debt on or prior to maturity. See "Risk Factors—Risks related to the Notes—We have substantial indebtedness and we may incur additional debt that could adversely affect Holders".

In particular, as at July 31, 2017, we have A\$976,225,000 of debt scheduled to mature in November 2018, representing 68% of our total debt. We intend to use the proceeds of this offering, together with our existing cash and cash flow from operations to repay all or a portion of this debt. To the extent that the proceeds of this offering, together with our cash and cash flow from operations are not sufficient to repay all of this debt, we intend to raise the necessary funds through one or more additional issuances in the debt capital markets or through another form of debt. Until such transactions are complete, a material uncertainty exists which may raise as significant doubt as to the ability of AAPT, the Trust and the combined entity comprising AAPT and the Trust to continue as going concerns.

As at July 31, 2017, we have a Syndicated Facility Agreement with an aggregate principal amount of A\$750 million, consisting of the following tranches:

- Facility A, which is a A\$580 million term loan, repayable in a single bullet payment on or before November 1, 2018, which bears interest at a margin of 1.9% over the BBSY rate;
- Facility B, which is a A\$170 million term loan, repayable in a single bullet payment on or before November 1, 2020, which bears interest at a margin of 2.2% over the BBSY rate.

As at July 31, 2017, we have the following debt securities on issue:

- A\$396.225 million Guaranteed Fixed Rate Notes due November 2018, which bear interest at 5.75% per annum;
- A\$100 million Guaranteed Fixed Rate Notes due May 2020, which bear interest at 6.10% per annum;
- US\$140 million Series A Guaranteed Senior Secured Notes due 2021, which bear interest at 4.43% per annum; and
- US\$10 million Series B Guaranteed Senior Secured Notes due 2024, which bear interest at 4.79% per annum.

Each of these facilities and series of notes is secured by the same security that the Notes will have the benefit of.

Each of these facilities and series of notes is subject to an interest rate step-up provision if, at any time, our senior secured debt is rated sub-investment grade by either Moody's or S&P. In March 2016, Moody's downgraded our rating to Ba2 from Baa3, triggering this provision. The interest rates stated above exclude the currently applicable step-up, which ranges from 0.5% per annum to 1.0% per annum.

Cash Flows

The following table sets out a condensed summary of the cash flows of AAPT, the Trust and AAPT and the Trust on a combined basis for the periods indicated:

	For the year ended March 31,								
	2017			2016			2015		
	AAPT	Trust	Combined	AAPT	Trust	Combined	AAPT	Trust	Combined
	(A\$ millions)								
Net cash flows from operating activities . . .	168.2	13.3	181.4	100.0	77.8	94.3	66.2	137.7	113.7
Net cash flows used in investing activities . . .	(34.9)	—	(61.6)	(100.0)	—	(16.2)	(354.4)	—	(9.8)
Net cash flows from financing activities . . .	(13.9)	(21.7)	(8.8)	7.5	(67.6)	(60.1)	278.8	(137.1)	(112.7)
Net increase in cash and cash equivalents	119.4	(8.4)	111.0	7.5	10.2	18.0	(9.4)	0.5	(8.9)
Add opening cash and cash equivalents brought forward	40.6	10.7	51.3	32.8	0.5	33.3	42.2	—	42.2
Closing cash and cash equivalents carried forward	160.0	2.3	162.3	40.6	10.7	51.3	32.8	0.5	33.3

	Four months ended July 31,						
	2017			2016			
	AAPT	MPHT	Combined	AAPT	MPHT	Combined	
	(Unaudited, A\$ millions)						
Net cash flows from operating activities		(6.8)	76.5	69.7	73.3	(0.4)	72.9
Net cash flows used in investing activities		8.5	—	8.5	(15.5)	—	(23.4)
Net cash flows from financing activities		46.0	(78.0)	(32.0)	10.0	(8.0)	10.0
Net increase in cash and cash equivalents		47.7	(1.4)	46.3	67.8	(8.4)	59.4
Cash and cash equivalents at the beginning of the period		159.9	2.3	162.2	40.5	10.7	51.2
Closing cash and cash equivalents carried forward		207.7	0.8	208.6	108.3	2.3	110.7

The following discussion relates to the combined cash flow of AAPT and the Trust, which we believe is the most relevant information for potential investors in the Notes.

Cash flow from operating activities

Net cash flow from operating activities was A\$69.8 million in the four month period ended July 31, 2017, primarily reflecting receipts from users of A\$134.8 million, which were offset by payments to suppliers and employees (the majority of which were payments to the Operator) of A\$37.2 million and financing costs paid of A\$30.2 million.

Net cash flow from operating activities was A\$72.9 million in the four month period ended July 31, 2016, primarily reflecting receipts from users of A\$132.3 million, which were offset by payments to suppliers and employees (the majority of which were payments to the Operator) of A\$29.9 million and financing costs paid of A\$30.0 million.

Net cash flow from operating activities was A\$181.4 million in fiscal 2017, primarily reflecting receipts from users (that is, payments by users of terminal and handling charges, together with the payment on termination of the Queensland Coal Pty Ltd user agreement) of A\$394.7 million, which were offset by payments to suppliers and employees (the majority of which were payments to the Operator) of A\$115.6 million and financing costs paid of A\$99.8 million.

Net cash flow from operating activities was A\$94.3 million in fiscal 2016, primarily reflecting receipts from users (that is, payments by users of terminal and handling charges) of A\$303.5 million, which were offset by payments to suppliers and employees (the majority of which were payments to the Operator) of A\$116.1 million and financing costs paid of A\$94.4 million. Both receipts from users and payments to suppliers were higher in fiscal 2016 than the corresponding income statement items due to timing differences between the accrual and payment of corresponding amounts and inclusion of Goods and Services Tax (GST) for cash flow purposes.

Net cash flow from operating activities was A\$113.6 million in fiscal 2015 primarily reflecting receipts from users (that is, payments by users of terminal and handling charges) of A\$288.4 million, which were offset by payments to suppliers and employees (the majority of which were payments to the Operator) of A\$88.0 million and financing costs paid of A\$88.0 million.

Cash flows from Investing Activities

Net cash from investing activities was A\$8.6 million in the four month period ended July 31, 2017, primarily reflecting payments from related parties of A\$16.3 million, offset by purchases of property, plant and equipment in connection with the capital expenditure related to the terminal of A\$7.4 million.

Net cash used in investing activities was A\$23.5 million in the four month period ended July 31, 2017, primarily reflecting payments to related parties of A\$11.9 million and purchases of property, plant and equipment in connection with the capital expenditure related to the terminal of A\$11.3 million.

Net cash used in investing activities was A\$61.6 million in fiscal 2017, primarily reflecting purchase of property, plant and equipment in connection with the capital expenditure related to the terminal of A\$29.2 million, and payment to related parties of \$31.5 million.

Net cash used in investing activities was A\$16.2 million in fiscal 2016, primarily reflecting purchases of property, plant and equipment in connection with the capital expenditure related to the terminal.

Net cash used in investing activities was A\$9.8 million in fiscal 2015, primarily reflecting purchases of property, plant and equipment in connection with the capital expenditure related to the terminal.

Cash flow from Financing Activities

Net cash used in financing activities was A\$32.0 million in the four month period ended July 31, 2017, primarily reflecting the distribution of income and capital by the Trust to its unitholder totaling A\$78.0 million, partially offset by the receipt of a security deposit from Adani Mining Pty Ltd of A\$46.0 million.

Net cash from financing activities was A\$10.0 million in the four month period ended July 31, 2016, reflecting the receipt of A\$10.0 million from the RCF facility.

Net cash used in financing activities was A\$8.8 million in fiscal 2017, primarily reflecting partial repayment of Guaranteed Fixed Rate Notes due November 2018 borrowings of A\$103.8 million and repayment of the working capital facility of A\$17.5 million and a distribution of capital by the Trust to its unitholder of A\$39.8 million offset by the receipt of a security deposit of A\$92.0 million from Adani Mining, receipt of a security deposit of A\$15.4 million from the Operator in connection with the change of control of the O&M Subcontractor and receipt of proceeds from the issuance of equity in the Trust to its unitholder of A\$44.9 million.

In fiscal 2016, net cash used in financing activities was A\$60.1 million, primarily reflecting the distribution of income and capital by the Trust to its unitholder totaling A\$77.6 million, partially offset by the receipt of A\$10.0 million of proceeds from the issuance of additional equity by the Trust to its unitholder.

In fiscal 2015, net cash used in financing activities was A\$112.7 million, primarily reflecting the return of A\$391.4 million of capital by the Trust to its unitholder, partially offset by proceeds from borrowings of A\$278.7 million representing the proceeds of our US debt private placement in August 2014.

Capital Expenditures

Our capital expenditures in fiscal 2017, 2016 and 2015 consisted primarily of expenditures for the refurbishment of the Shiploader 1 and costs incurred on minor capital expenditures.

The table below sets forth a breakdown of our capital expenditures for each of fiscal 2017, 2016 and 2015:

	For the year ended March 31,								
	2017			2016			2015		
	Trust	Issuer	Combined	Trust	Issuer	Combined	Trust	Issuer	Combined
	(A\$ millions)								
Plant and machinery (including capital work in progress)	—	33.1	33.1	—	11.2	11.2	1.6	54.3	56.0
Total	—	33.1	33.1	—	11.2	11.2	1.6	54.3	56.0

As at March 31, 2017, we had capital expenditure commitments of A\$33.3 million. This primarily related to the replacement of the stacker reclaimer and minor capital expenditure projects.

Contractual Obligations and Contingent Liabilities

Contractual Obligations

The table below summarizes the contractual obligations of AAPT at March 31, 2017:

	As of March 31, 2017					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
	(A\$ millions)					
Long term debt obligations	—	19.3	58.2	1,534.8	14.8	1,627.1
Purchase obligations	214.2	—	—	—	—	214.2
Security Deposit	—	—	—	—	107.4	107.4
Financial Derivative	—	0.4	1.3	33.2	0.3	35.2
Total	214.2	19.7	59.5	1,568.0	122.5	1,983.9

Contingent Liabilities

We have received claim notices from a contractor with respect to work performed on the expansion of the terminal. The claims relate to the period prior to us acquiring the terminal. We are disputing the validity of these claims and have asserted counter claims in respect to certain aspects of the contractors' performance. As at March 31, 2017, we had not paid or provided any amounts in respect of these claims.

For additional detail on these matters, see "Our Business—Legal Proceedings".

Off Balance Sheet Arrangements

As of the date of this offering memorandum, we do not have any off balance sheet arrangements.

Quantitative and Qualitative Disclosure about Market Risks

We are exposed to market risk, credit risk and liquidity risk. Our board of directors has overall responsibility for the determination of our risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to our finance function. Our risk management policies and objectives are therefore designed to minimize the potential impacts of these risks on our results where such impacts may be material.

Further details regarding these policies are set out below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates.

We manage interest rate risk by entering into interest rate swaps, in which we agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. As of March 31, 2017, after taking into account the effect of interest rate swaps, 96% of our borrowings were at a fixed rate of interest.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, our profit before tax is affected through the impact on floating rate borrowings as follows:

	<u>Increase/decrease in basis points</u>	<u>Effect on profit before tax</u>	<u>Effect on equity</u>
		A\$	
Fiscal 2017	+/-50	196	4,535
Fiscal 2016	+/-50	192	3,646

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Hedging policy

We use derivative financial instruments, such as interest rate and cross currency swaps, to hedge our interest rate and foreign exchange risks. We initially recognize these derivatives at fair value on the date we enter the derivative contract and subsequently remeasure them to their fair value at the end of each reporting period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. We designate certain derivatives as hedges of the cash flows of recognized assets and liabilities (“**cash flow hedges**”). We recognize the effective portion of the gain or loss on the hedging instrument directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement as finance costs.

Amounts recognized as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized.

At hedge inception, we document the relationship between hedging instruments and hedged items, as well as our risk management objective and strategy for undertaking various hedge transactions. We also document our assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting future cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is greater than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Under the Common Terms Deed we must ensure that payments on at least 95% of all Senior Debt outstanding are denominated in A\$ or subject to cross-currency hedging under Hedging Agreements in accordance with the Hedging Policy, or any combination of the two, provided that we have 90 days from the date on which we incur any Additional Senior Debt to enter into any such hedging.

Pursuant to the Common Terms Deed, we must ensure that interest payments on at least 75% of all Senior Debt outstanding are calculated as a fixed percentage interest rate or hedged under Hedging Agreements in accordance with the Hedging Policy, or any combination of the two, provided that we have 90 days from the date on which we incur any Additional Senior Debt to enter into any such hedging. We must also within 90 days after the first issue date for any Subordinated Debt, ensure that throughout the Hedge Period interest payments on at least 75% of all Subordinated Debt outstanding are calculated as a fixed percentage interest rate or hedged under Hedging Agreements in accordance with this Hedging Policy, or any combination of the two.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including loans, deposits with banks and financial institutions.

Trade receivables

The primary credit risk to which the combined obligor group is exposed is the risk that our users will fail to pay their handling charges and terminal charges when due.

At March 31, 2017, we had A\$104.6 million of trade and other receivables, mainly due from eight users. At March 31, 2016, we had A\$90.4 million of trade and other receivables due from nine users.

At each reporting date, we analyze our trade and other receivables by user for indications of impairment. At March 31, 2017 and 2016, we observed no indications of impairment.

Bank deposits

We are exposed to the risk that our bank counterparties may default on their obligation to repay funds on deposit when called. We reduce this risk by only dealing with reputable major banks.

Loans and amounts due from related parties

Our ultimate parent entity manages the funding flows among its controlled entities and provides financial support as and when required.

Liquidity risk

Liquidity risk is the risk that we may encounter difficulties raising funds to meet our financial obligations as they fall due, including with respect to our obligations under the O&M Contract. The object of managing liquidity risk is to ensure, as far as possible, that we will always have sufficient liquidity to meet our liabilities when they fall due, under both normal and stressed conditions.

Liquidity risk is reviewed regularly by the Board and we manage liquidity risk by monitoring forecast cash flows against available funds and facilities.

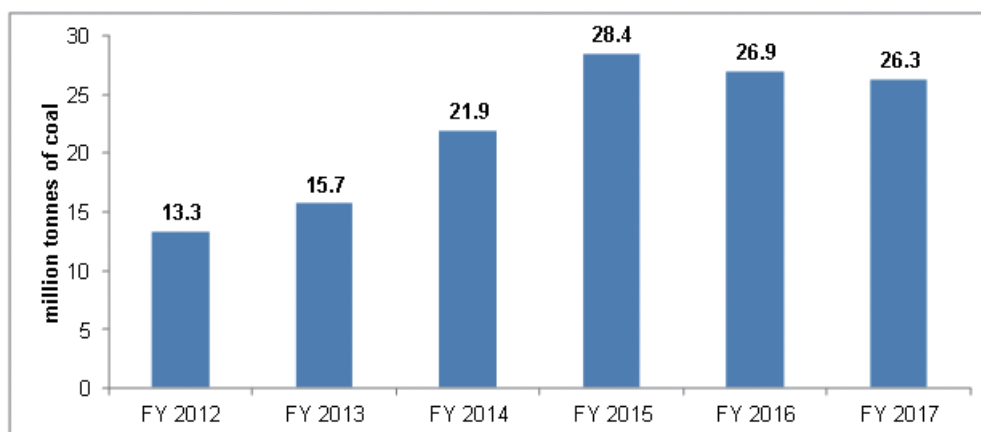
non-scheduled maintenance when necessary or prudently required and ensuring that each terminal component is maintained to be available to operate to at least its relevant rated nameplate capacity. The O&M Contract requires that the Operator perform these services competently, diligently, expeditiously and in accordance with good operating and maintenance practice.

The Operator bears all costs of performing the services required of it under the O&M Contract, however it is entitled to receive certain fees, costs and expenses from us in return. On this basis, the Operator is entitled to issue monthly invoices on or after the last working day of the relevant month, with invoices payable by us within seven days. See “—Terminal revenue” below. Generally, we will be entitled to pass the amount of the invoice on to the users, however we are obliged to pay the Operator whether or not we have received reimbursement for the relevant amount from the users under the User Agreement.

Under the O&M Contract, the Operator gives us certain indemnities, including in respect of loss arising out of a breach of the O&M Contract by the Operator and loss arising due to the Operator’s negligence. In this regard, the Operator’s liability under the O&M Contract is not subject to any cap or limit, nor is liability for consequential loss excluded. Additionally, we have required the Operator to provide us with a deposit in the amount of A\$15,400,000 as security for its obligations under the O&M Contract. We received that A\$15,400,000 security deposit on October 4, 2016.

See “Summary Description of the Principal Project Documents—Key Terms of the O&M Contract” for a description of the key terms of this arrangement. See “Description of the Operator and the O&M Subcontractor” for a description of the Operator.

The chart below provides the annual throughput for the terminal, in mtpa.



Terminal revenue

Substantially all of our revenues are provided by the users under the User Agreements. The charges paid by the users under the User Agreements fall into two categories: (1) Handling Charges and (2) terminal charges. The calculation and payment terms of the Handling Charges and the terminal charges are discussed in further detail in “Description of the Users and the User Agreements—Key terms of the User Agreements—Charges” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the formula used to determine the TIC and TPC is set out in full in Appendix B.

Through its wholly owned Australian subsidiaries, APSEZ, a company incorporated in India and controlled by a discretionary trust that is ultimately controlled by Mr Gautam S. Adani, Mr Vinod S. Adani and Mr Rajesh S. Adani as trustees of the trust acquired the terminal in June 2011 through the acquisition of shares in our company and the grant of a 99-year lease to the Guarantor by the Queensland government (through NQBP), for a total purchase consideration of approximately A\$1.829 billion. NQBP retains ownership of the port, land and fixed infrastructure at the terminal, such as the jetty and the wharf, but has granted the Guarantor a 99-year lease interest in the land and non-severable assets at the terminal. We own the severable assets and movable property at the terminal. As part of the June 2011 acquisition, we rebranded the terminal as the “Adani Abbot Point terminal” and changed our name to Adani Abbot Point Terminal Pty Ltd.

Assets and liabilities

We have no material assets other than assets associated with owning and operating the terminal (including infrastructure, rights and receivables related thereto), the Shareholder Loan, the Guarantor Loans and the Operator Loan. While the A\$334.87 million Shareholder Loan, outstanding as at March 31, 2017, is considered as an asset in our Financial Statements included elsewhere in this offering memorandum and is regarded as recoverable, it is unlikely to be repaid by AAPT Holdings in the normal course of its business during the period that the Notes are outstanding. Accordingly, investors should disregard the Shareholder Loan in making any decisions with respect to whether or not to invest in the Notes and assessing our ability to repay the Notes. See “Risk Factors— Risks related to the terminal and our operations—The Shareholder Loan granted by us to AAPT Holdings may not be repaid at any time in the future and, as such, investors should not consider it to be one of our assets or within our capitalization”. Our liabilities are limited to liabilities associated with owning, operating and financing the terminal. Further discussion of the Shareholder Loan and the Guarantor Loans is set out in “Certain Relationships and Related-Party Transactions”. We are contractually restricted under the terms of the Common Terms Deed from making any substantial change to the Business.

The Guarantor has no material assets other than the Leases associated with the terminal and its liabilities are limited to liabilities associated with the Leases. The Guarantor is also contractually restricted under the terms of the Common Terms Deed from making any substantial change to the Business.

Current holding structure

As of the date of this offering memorandum, we are 100% owned by AAPT Holdings, a company incorporated in Australia. In turn, APSEZ owns 100% of the ordinary share capital of AAPT Holdings. The Guarantor is 100% owned by MPPL, a company incorporated in Australia. In turn, APSEZ owns 100% of the ordinary share capital of MPPL. For further details of our current ownership structure see “The Issuer, the Guarantor and the Adani Group—The Issuer”.

Competition

There are several other coal export terminals in operation in Queensland and there are also plans to develop these further and develop several new terminals. These include the T0 Terminal, Abbot Point Coal Terminal T3 (a proposed GVK/Hancock port development), a proposed further HPCT expansion (although we understand from publicly available sources that this may not be proceeding), a plan to expand RG Tanna Coal Terminal and a plan to expand the Wiggins Island Coal Terminal. Refer to “Description of the Notes” for a more fulsome discussion of the T0 Terminal expansion and to the Coal Market Report in Appendix C for more details generally on the proposed coal export terminals.

further details of the Operator's obligations and of our current insurance arrangements, see the heading "Summary Description of the Principal Project Documents—Key Terms of the O&M Contract".

We, jointly with the Guarantor and the Operator maintain a policy of environmental liability insurance extending to legal liability claims for third party bodily injury and property damage, statutory clean-up, natural resource damage costs and certain related operations and legal expense costs. This policy is current to September 30, 2018 and has a limit of A\$20 million per incident and in the annual aggregate.

Additionally, we, jointly with various other members of the Adani Group, separately maintain limited policies of business insurance and industrial special risks insurance.

Refinancing

We have Existing Finance Debt under a combination of:

- the Initial Syndicated Facility Agreement;
- the A\$ Notes; and
- the USPP Notes,

and have granted security over all of our assets and undertakings to secure that Existing Finance Debt. The Guarantor has agreed to guarantee our Existing Finance Debt and has granted security over all of its assets and undertakings, including real property mortgages over its leasehold interests. The Existing Finance Debt will be repaid in part by application of part of the proceeds of the issuance of the Notes.

The key terms of the financing documents are summarized below in "Description of the Notes".

Legal Proceedings

We are involved in the following legal, arbitration or governmental proceedings:

- **Arbitration with the users:** The weighted average TIC/TPC, which applied on and from July 1, 2016 until June 30, 2017, was A\$4.543 per tonne. We have given all users notice that, following a price review performed pursuant to the User Agreements, the TIC/TPC applicable on and from July 1, 2017 will be A\$5.612 per tonne. Eight of our nine users have contracted capacity during the period from July 1, 2017 to June 30, 2022. All of these eight users objected to the TIC/TPC calculation performed. We have settled the TIC/TPC with four of those eight users, and the remaining four users have initiated arbitral proceedings in accordance with the procedures prescribed by the User Agreements. These arbitral proceedings are ongoing. We expect that the arbitral proceedings will be resolved in the first half of 2018, but we can offer no assurance that the arbitral proceedings will not be resolved at a later date. Our July 1, 2012 TIC/TPC price review was also the subject of a similar arbitral proceedings pursuant to which the review mechanism and methodology set out in the User Agreements (as further described in Appendix B) was applied. Further details of the dispute resolution mechanism under the User Agreements are set out in "Description of the Users and the User Agreements—Key terms of the User Agreements—Charges—Review of Charges—TIC/TPC". See also "Risk Factors—Risks related to the terminal and our

THE ISSUER, THE GUARANTOR AND THE ADANI GROUP

The Issuer

We are incorporated under the laws of Australia as a proprietary company limited by shares and registered in Queensland, Australia. As at March 31, 2017, we have a total of 385,000,000 fully paid ordinary shares all held by AAPT Holdings.

Future holding structure

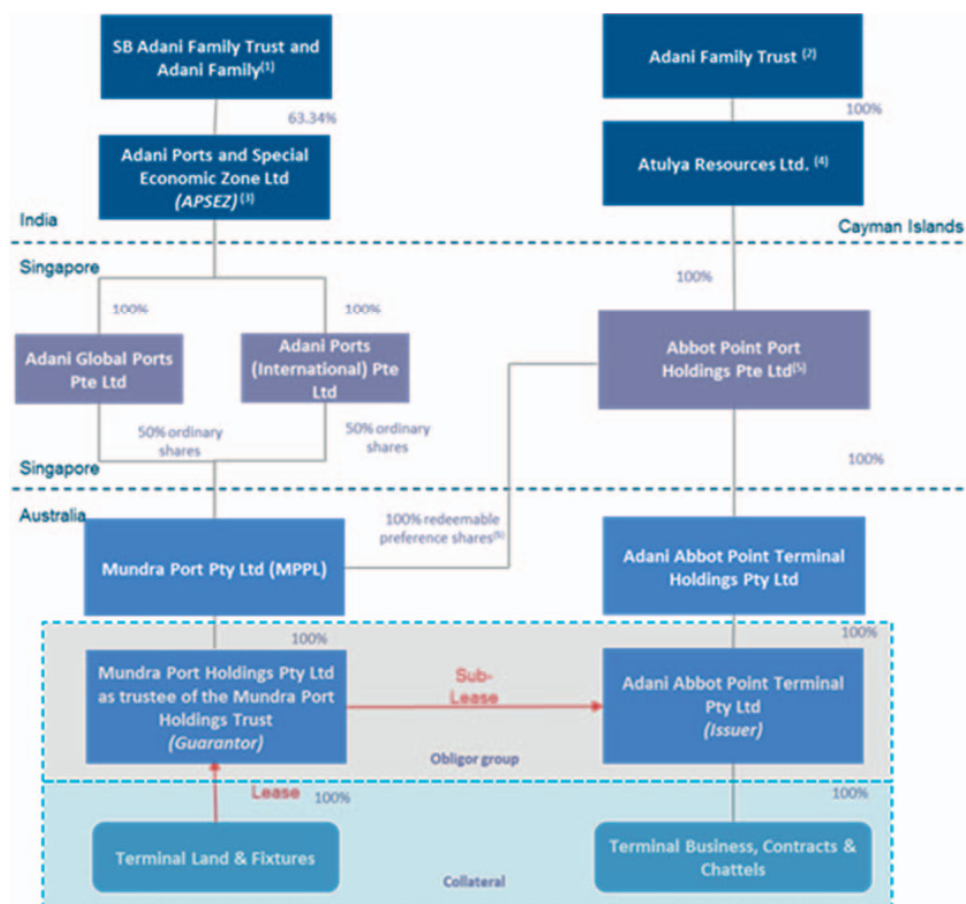
The Adani Group has agreed to reorganize the structure through which it holds us and the Guarantor (the “**Reorganization**”). The Reorganization is being driven by an internal decision made by the Adani Group to move investments in relatively mature and stable assets (such as the terminal) out of APSEZ to permit APSEZ to focus on growth businesses. Each of Adani Ports (International) Pte Ltd (“**API**”) and Adani Global Ports Pte Ltd (“**AGP**”) will be wholly owned direct subsidiaries of APSEZ. Additionally, as part of the Reorganization, APSEZ has agreed to transfer all of the redeemable preference shares that it holds in MPPL, as further described below, and all of the shares that it holds in AAPT Holdings to Abbot Point Port Holdings Pte Ltd (“**APPH**”), a private company incorporated in Singapore and we will ultimately be owned by Atulya Resources Ltd, a private Cayman Islands company. The Reorganization is conditional upon satisfaction of one remaining condition precedent (being receipt of consent from the State Bank of India in connection with the Adani Group’s financing arrangements put in place for the purpose of acquisition of the terminal from NQBP) that is being progressed as of the date of this offering memorandum. Upon satisfaction of that condition precedent, the Reorganization will be effective and accordingly, we will be 100% owned by AAPT Holdings, a company incorporated in Australia, which in turn will be 100% owned by APPH. The Guarantor will be 100% owned by MPPL, a company incorporated in Australia. The redeemable preference shares in MPPL, which carry voting control, will ultimately be owned by Atulya Resources Ltd, which will be wholly owned and controlled by the Adani Family Trust, while the ordinary shares in MPPL will ultimately be owned by APSEZ. Consequently, following the Reorganization, APPH will hold indirect voting control of both us, through AAPT Holdings, and the Trust, through MPPL.

MPPL has pledged its shares in the Guarantor and its units in the Trust as collateral to secure the obligations of MPPL in relation to foreign currency and letter of comfort facilities provided by State Bank of India to MPPL, which were entered into to partially refinance short term indebtedness incurred by MPPL in connection with the Adani Group’s acquisition of the terminal. This pledge is contractually subordinated to the security granted by MPPL over the same assets in favor of Permanent Custodians Limited, as referred to below. The principal amount outstanding under these State Bank of India facilities as of the date of this offering memorandum is US\$383,000,000 and is repayable in quarterly installments with the final one being due on March 29, 2019. AAPT Holdings has pledged its shares in us as collateral to secure the obligations of MPPL in relation to these State Bank of India facilities. Separately, MPPL has granted security over its shares in the Guarantor and its units in the Trust and AAPT Holdings has granted security over its shares in us as security, in each case in favor of Permanent Custodians Limited as collateral to secure MPPL’s obligations under certain senior financing arrangements, pursuant to which MPPL has borrowed:

- A\$225,000,000 under a syndicated loan facility which is repayable in a single bullet payment on or before January 19, 2020; and
- a further A\$50,000,000 by issuing notes into the U.S. private placement market, to beneficiaries of a security trust that Permanent Custodians Limited has declared. These notes are repayable in a single bullet payment on or before November 25, 2020.

See “Risk Factors—Risks related to the terminal and our operations—We are ultimately controlled by an affiliate of the Adani Group that exercises control over our affairs and policies and whose interests may be different from yours”.

Accordingly, following completion of the Reorganization, we and the Trust will be part of the corporate structure shown in the chart below.



Notes:

- (1) SB Adani Family Trust is a discretionary trust of which Mr Gautam S. Adani, Mr Vinod S. Adani and Mr Rajesh S. Adani are trustees, managing the trust for the benefit of the beneficiaries being themselves and their family members. For more discussion on Mr Gautam S. Adani and Mr Vinod S. Adani, see “—The Adani Group” below.
- (2) Adani Family Trust is a trust, which has been established in the British Virgin Islands and is ultimately controlled by a member of the Adani family.
- (3) APSEZ is a public company listed on both the Bombay Stock Exchange and the National Stock Exchange of India. Approximately 63.34% of the equity in APSEZ is owned by the SB Adani Family Trust and the Adani Family.
- (4) Atulya Resources Ltd is a Cayman Islands entity that will ultimately be owned and controlled by the Adani Family Trust (although one or more entities that are ultimately wholly owned and controlled by the Adani Family Trust may be interposed between it and Atulya Resources Ltd).
- (5) APPH will hold an interest in MPPL through redeemable preference shares, which will grant APPH ultimate voting control. The redeemable preference shares that APPH will hold in MPPL after the Reorganization will allow APPH to, at its option, require conversion, on a one for one basis, into an ordinary share in MPPL at any time on or after April 1, 2015 and prior to the date that 10 years after the date of issue. If the redeemable preference shares are not redeemed before the date that is 10 years after the date of issue, each redeemable preference share must be redeemed on that date for A\$1.00003. The redeemable preference shares will rank pari passu with the ordinary shares for voting other than in certain limited circumstances, in which case the holders of the ordinary shares are not permitted to vote. However, because the number of redeemable preference shares on issue exceeds the number of ordinary shares, APPH will have effective control of MPPL through such redeemable preference shares.

Current holding structure

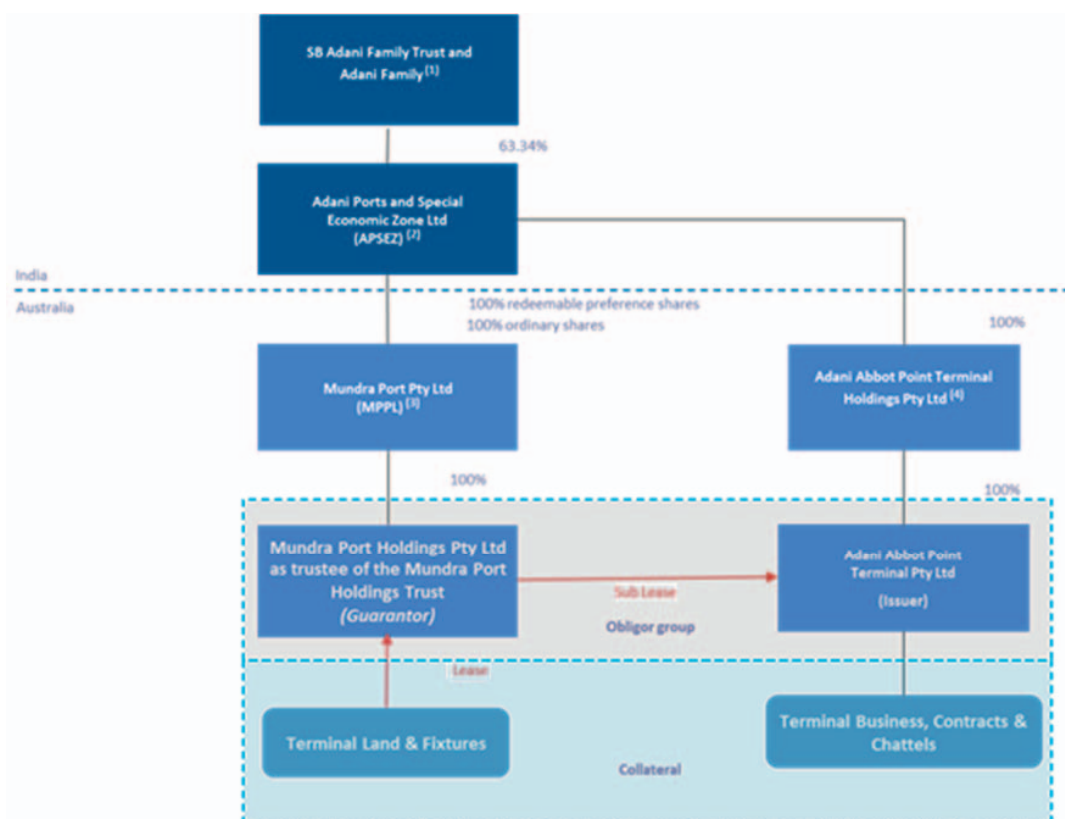
As of the date of this offering memorandum, we are 100% owned by AAPT Holdings, a company incorporated in Australia. In turn, APSEZ owns 100% of the ordinary share capital of AAPT Holdings. The Guarantor is 100% owned by MPPL, a company incorporated in Australia. APSEZ owns 100% of the ordinary share capital of MPPL. The structure through which we and the Guarantor currently hold the terminal and through which we are held is described in the chart below.

MPPL has pledged its shares in the Guarantor and its units in the Trust as collateral to secure the obligations of MPPL in relation to foreign currency and letter of comfort facilities provided by State Bank of India to MPPL, which were entered into to partially refinance short term indebtedness incurred by MPPL in connection with the Adani Group's acquisition of the terminal. This pledge is contractually subordinated to the security granted by MPPL over the same assets in favor of Permanent Custodians Limited, as referred to below. The principal amount outstanding under these State Bank of India facilities as of the date of this offering memorandum is US\$383,000,000 and is repayable in quarterly installments with the final one being due on March 29, 2019. AAPT Holdings has pledged its shares in us as collateral to secure the obligations of MPPL in relation to these State Bank of India facilities. Separately, MPPL has granted security over its shares in the Guarantor and its units in the Trust and AAPT Holdings has granted security over its shares in us as security, in each case in favor of Permanent Custodians Limited as collateral to secure MPPL's obligations under certain senior financing arrangements, pursuant to which MPPL has borrowed:

- A\$225,000,000 under a syndicated loan facility which is repayable in a single bullet payment on or before January 19, 2020; and
- a further A\$50,000,000 by issuing notes into the U.S. private placement market, to beneficiaries of a security trust that Permanent Custodians Limited has declared. These notes are repayable in a single bullet payment on or before November 25, 2020.

See "Risk Factors—Risks related to the terminal and our operations—We are ultimately controlled by an affiliate of the Adani Group that exercises control over our affairs and policies and whose interests may be different from yours".

If the remaining condition precedent to the Reorganization is not satisfied and the Reorganization is not ultimately effected, our corporate structure will continue to be as indicated in the chart below.



Notes:

- (1) SB Adani Family Trust is a discretionary trust which is ultimately controlled by Mr Gautam S. Adani, Mr Vinod S. Adani and Mr Rajesh S. Adani as trustees of the trust. For more discussion on Mr Gautam S. Adani and Mr Vinod S. Adani, see “—The Adani Group” below.
- (2) APSEZ is a public company listed on both the Bombay Stock Exchange and the National Stock Exchange of India. Approximately 61.30% of the equity in APSEZ is owned by the SB Adani Family Trust and the Adani Family. APSEZ has pledged its shares in MPPL and AAPT Holdings as collateral to secure the obligations of MPPL in relation to foreign currency and letter of comfort facilities provided by State Bank of India to MPPL.
- (3) MPPL has pledged its shares in the Guarantor and its units in the Trust as collateral to secure the obligations of MPPL in relation to foreign currency and letter of comfort facilities provided by State Bank of India to MPPL. See “Risk Factors—Risks related to the terminal and our operations—We are ultimately controlled by an affiliate of the Adani Group that exercises control over our affairs and policies and whose interests may be different from yours”.
- (4) AAPT Holdings has pledged its shares in us as collateral to secure the obligations of MPPL in relation to foreign currency and letter of comfort facilities provided by State Bank of India to MPPL. See “Risk Factors—Risks related to the terminal and our operations—We are ultimately controlled by an affiliate of the Adani Group that exercises control over our affairs and policies and whose interests may be different from yours”.

The Guarantor

Mundra Port Holdings Pty Ltd was incorporated under the laws of Australia as a proprietary company limited by shares and registered on April 19, 2011 in Queensland, Australia. MPH Trustee has a total of 1,000 fully paid ordinary shares all on issue to MPPL.

The Trust was established on April 19, 2011 under a trust deed dated April 19, 2011 (which has been subsequently amended on June 8, 2011, July 14, 2011 and February 17, 2012). Mundra Port Holdings Pty Ltd is trustee of the Trust and in such capacity is the Guarantor. The Guarantor holds all of its assets, rights and income on trust for the beneficiaries of the Trust. As of the date of this offering memorandum, the sole beneficiary of the Trust is MPPL, which holds all units in the Trust.

QCoal

Our User Agreement with QCoal commenced July 1, 2009 and is due to terminate on June 30, 2027. QCoal has contracted for capacity of 4mtpa up to and including the contractual year ending on June 30, 2025.

QCoal has three coal projects in the northern Bowen Basin, Jax, Drake and Cows, all of which are on the Newlands System and in the natural catchment area of the Port of Abbot Point. Additionally, QCoal has other coal exploration permits in the Bowen Basin, specifically the Diamond Creek and Auriga projects, capable of together producing 10mtpa of coal.

QCoal currently utilizes its contracted capacity for off-take from its Drake mine located along the Newlands System.

The Sonoma JV

Our User Agreement with JS Sonoma Pty Ltd, JS Sonoma Washplant Operations Pty Ltd, CSC Sonoma Pty Ltd, Watami (Qld) Pty Ltd, QCoal Sonoma Pty Ltd, QCoal Sonoma Washplant Operations Pty Ltd and Sonoma Mine Management Pty Ltd (in its capacity as Operator of the Sonoma Mine Joint Venture) (together the “**Sonoma JV**”) commenced on May 1, 2008 and is due to terminate on November 30, 2024. The Sonoma JV has contracted for capacity of 4mtpa up to and including the contractual year ending on June 30, 2019 and 0.5mtpa for each following contractual year up to and including the contractual year ending on June 30, 2025.

In support of the obligations of the Sonoma JV under its User Agreement, we have the benefit of credit support in the form of six separate unconditional and irrevocable bank undertakings and/or guarantees: four of which are from the Commonwealth Bank of Australia and as of March 31, 2017 had an aggregate value of A\$1,620,000 and two of which are from Australia and New Zealand Banking Group Limited and as of March 31, 2017 had an aggregate value of A\$380,000. These bank undertakings are personal to the Sonoma JV and not capable of assignment. In the event we believe the Sonoma JV will be unable to meet its obligations under the User Agreement, we have the right to require the Sonoma JV to provide additional credit support up to a maximum of A\$8 million through a bank undertaking. The maximum amount of additional credit support that we may require will be reduced over time in line with the paid production produced from a mining lease specified in the User Agreement granted to the relevant joint venture participants, subject to a floor of A\$4 million.

The Sonoma JV currently utilizes this capacity for off-take from the Sonoma mine, located on the Newlands System.

Middlemount

Our User Agreement with Middlemount commenced on July 1, 2009 and is due to terminate on June 30, 2027. Middlemount has contracted for capacity of 3mtpa up to and including the contractual year ending on June 30, 2026 and 1.5mtpa for the contractual year ending on June 30, 2027.

Credit support has been provided to us in respect of the obligations of Middlemount under the User Agreement pursuant to a guarantee from Macarthur Coal Ltd and Gloucester Coal Limited on a several basis with liabilities under the guarantee to be split between Macarthur Coal Ltd (50.0003%) and Gloucester Coal Limited (49.9997%). The guarantors irrevocably and unconditionally guarantee the satisfaction and payment in full of all obligations of Middlemount to us. The guarantee does not contain any provisions restricting assignment of the guarantee by any party to the guarantee.

Middlemount utilizes this capacity for off-take from the Middlemount mine, located on the Goonyella System.

Clermont

Our User Agreement with Clermont commenced on July 1, 2013 and is due to terminate on June 30, 2028. Clermont has contracted for capacity of 1.5mtpa up to and including the contractual year ending on June 30, 2028.

Credit support has been provided to us in respect of the obligations of Clermont under the User Agreement pursuant to guarantees from Mitsubishi Development Pty Limited, J.C.D. Australia Pty Ltd, GS Coal Pty Ltd and Glencore Coal Queensland Pty Limited on a several basis with liabilities under the guarantees to be divided between Mitsubishi Development Pty Limited (31.4%), J.C.D. Australia Pty Ltd (3.5%), GS Coal Pty Ltd (50.1%) and Glencore Coal Queensland Pty Limited (15%).

Clermont currently utilizes this capacity for off-take from the Clermont mine, located on the Goonyella System.

Adani Mining

We entered into our User Agreement with Adani Mining on October 31, 2016, it commences on July 1, 2022 and is due to terminate on June 30, 2028. Adani Mining has contracted for capacity of 9.3mtpa commencing in the contractual year ending on June 20, 2023 up to and including the contractual year ending on June 30, 2028.

Pursuant to the first deed of variation and the second deed of variation to our User Agreement with Adani Mining, each between us and Adani Mining, credit support has been provided to us in the form of a security deposit. The security deposit consists of A\$138,000,000 paid to us by Adani Mining which we may apply towards satisfaction of Adani Mining's obligations under the Adani Mining User Agreement. To the extent not applied towards satisfaction of Adani Mining's obligations, we may be required to return the security deposit to Adani Mining in installments, each of which will become payable upon, and in the amount of, an amount of TIC or TPC required to be paid to us by Adani Mining. We may also return the security deposit to Adani Mining to the extent that we determine it exceeds the amount of credit support required in respect of Adani Mining. Notwithstanding the foregoing, in all circumstances where we may be required to return any part of the security deposit to Adani Mining, any such payment is subject to the rules governing operation of the Distributions Account as set out in "Description of the Notes—Common Terms Deed—Establishment and maintenance of the Project Accounts—Distributions Account".

Key terms of the User Agreements

Overview

The User Agreements provide the terms on which we agree to grant users access to the terminal, receive the coal presented to the terminal by each user and load the user's coal onto vessels for shipping.

With the exception of the User Agreements with Clermont and Adani Mining, the User Agreements for each of our nine current users were originally entered into between the relevant users and PCQ. As a result of the Infrastructure Investment Act, we replaced PCQ as a party to the User Agreements.

and includes interacting natural ecosystems that include components referred to in paragraphs (a) to (d) of this definition.

- **Environmental Laws** means any law relating to:
 - (a) the Environment (including any law relating to land use, planning, environmental assessment, pollutions, contamination, chemicals, waste, the use or presence of asbestos or dangerous goods or hazardous substances, building regulations, the occupation of buildings, heritage, species, flora and fauna or noise); or
 - (b) any aspect of protection of the Environment.
- **Event of Default** means an event of default under the Common Terms Deed, as described in greater detail in “—Common Terms Deed—Events of Default”.
- **Event of Loss** means, with respect to the terminal, any of the following events:
 - (a) destruction, damage, impairment or loss of use thereof in its entirety or such a material portion thereof such that the then-remaining portion cannot practically be used for the purposes intended;
 - (b) destruction, damage, impairment or loss of use thereof that results in a settlement or the receipt of proceeds in relation to the Insurances with respect thereto on the basis of an actual or constructive total loss; or
 - (c) as a result of any law or regulation, a repair, alteration, modification, addition or restoration thereto is required to be made that would render the continued operation thereof wholly impracticable or uneconomical for use.

The date of occurrence of any Event of Loss specified in paragraph (a), (b), or (c) above shall be the date of the casualty or other occurrence specified above giving rise to such Event of Loss.

- **Excess Cash** on a date means:
 - (a) for the purposes of determining amounts to be deposited into the Senior Debt Redemption Account, the balance in the Operating Accounts after payment of all amounts described in the Operating Account Waterfall as being payable prior to transfer to the Senior Debt Redemption Account;
 - (b) for the purposes of the definition of Distribution Conditions, the balance in the Operating Accounts on that date following payments of all amounts described in the Operating Account Waterfall as being payable prior to transfer to the Distribution Accounts; and
 - (c) for the purposes of the definition of CFADs, the balance in the Operating Account on the Initial Issue Date following payments of all amounts payable under paragraphs (a) through (h) (inclusive) in the “—Common Terms Deed—Establishment and maintenance of the Project Accounts—Operating Accounts”.
- **Existing A\$ Notes** means the Existing A\$ Notes due 2018 and the Existing A\$ Notes due 2020.
- **Existing A\$ Notes due 2018** means the A\$396,225,000 (as of July 31, 2017) senior notes due November 2018 as issued by the Issuer pursuant to the Existing 2018 A\$ Note Trust Deed.

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

We will, from time to time, enter into contracts or other business relationships with one or more of our affiliates. The Secured Documents contain restrictions on our ability to enter into transactions with our affiliates. See “Description of the Notes”.

The following is a list of existing contracts entered into, or to be entered into on or prior to the Issue Date, between certain of our affiliates and us:

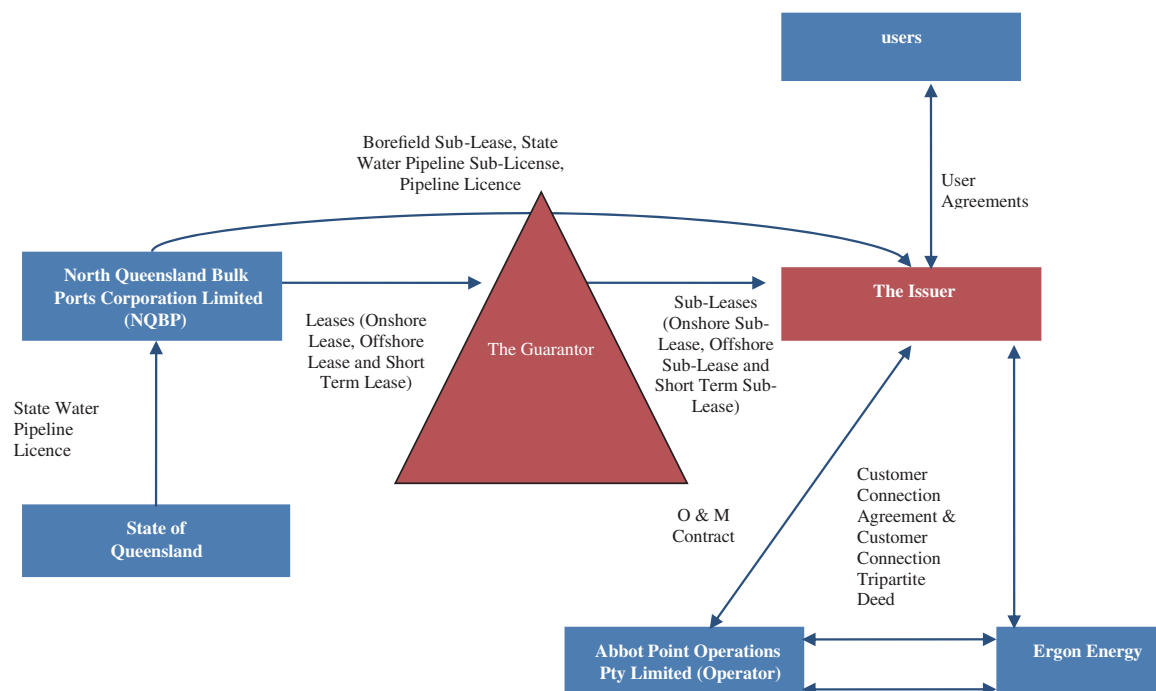
- **Shareholder Loan:** we entered into the Shareholder Loan Agreement with AAPT Holdings, our immediate parent company, on March 26, 2012. Under the Shareholder Loan Agreement, we have lent A\$334,870,000, as at March 31, 2017, to AAPT Holdings. As consideration for AAPT Holdings’ acquisition of shares in our company and at the direction of MPPL, AAPT Holdings applied the Shareholder Loan proceeds of A\$315,600,000 toward repayment of an amount outstanding under the bridge financing incurred by MPPL in relation to the acquisition of the terminal. The balance of A\$19,270,000 was used by AAPT Holdings for general corporate purposes, including the payment of compensation as a result of termination of the operations and maintenance agreement with Abbot Point Bulkcoal Pty Ltd. Although the Shareholder Loan Agreement was originally for a term of ten years, we entered into an amendment to the Shareholder Loan Agreement on March 31, 2012 whereby the Shareholder Loan became payable on demand only when sufficient funds are available to AAPT Holdings. There is no interest payable on the Shareholder Loan. See “Risk Factors—Risks related to the terminal and our operations—The Shareholder Loan granted by us to AAPT Holdings may not be repaid at any time in the future and, as such, investors should not consider it to be one of our assets or within our capitalization”. See further “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Issuer’s Financial Statements accompanying this offering memorandum;
- **Guarantor Loan Agreements:** we are party to three separate intercompany loan agreements with the Guarantor as follows:
 - o we entered into an intercompany loan agreement with the Guarantor on October 28, 2013 pursuant to which we made available to the Guarantor A\$850,000,000 for a term of five years. The amount of the loan outstanding under this loan agreement, as at March 31, 2017, was A\$769,134,761. Interest accrues on this loan at a rate of 6.76% per annum and is payable in arrears every three months, or may be capitalized at the request of the Guarantor;
 - o we entered into an intercompany loan agreement with the Guarantor on September 24, 2014 pursuant to which we made available to the Guarantor US\$145,000,000 for a term of seven years. The amount of the loan outstanding under this loan agreement, as at March 31, 2017, was US\$145,000,000. Interest accrues on this loan at a rate of 4.454% per annum and is payable in arrears every six months, or may be capitalized at the request of the Guarantor; and
 - o we entered into an intercompany loan agreement with the Guarantor on November 27, 2014 pursuant to which we made available to the Guarantor A\$95,200,000 for a term of six years. The amount of the loan outstanding under this loan agreement, as at March 31, 2017, was A\$95,200,000. Interest accrues on this loan at a rate of 6.1% per annum and is payable in arrears every six months, or may be capitalized at the request of the Guarantor.

See further “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Trust’s Financial Statements accompanying this offering memorandum;

- **Operator Loan:** we entered into the Operator Loan Agreement with the Operator on June 11, 2015. Under the Operator Loan Agreement, we have lent A\$85,000, as at March 31, 2017, to the Operator to meet its short term funding requirements. Under the terms of the loan agreement, the Operator is required to repay the loan as and when funds are available or when requested to do so by us, and unless otherwise agreed in writing, the period of the facility is agreed to be five years. The facility may bear interest from time to time at our discretion, at a rate to be determined by agreement between us and the Operator. See further “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Issuer’s Financial Statements accompanying this offering memorandum;
- **Shared Services and Charges Agreement:** we are party to a shared services and charges agreement (“**Shared Services and Charges Agreement**”) with Adani Mining, which was entered into on June 1, 2011 and is operative until terminated in writing by us and Adani Mining. Under the Shared Services and Charges Agreement we have agreed with Adani Mining to share and pool certain employees and other business and operational resources and services. Accordingly, Adani Mining has agreed to obtain and make available to us, and make payment for the entire costs relating to, shared or pooled resources and services and we have agreed to reimburse Adani Mining for our proportionate cost of those shared or pooled resources and services plus a 10% mark-up. Adani Mining is required to keep records of all costs paid by them on our behalf and may charge us on a quarterly basis or as otherwise agreed;
- **Tax Sharing Agreement:** we are a party to a tax sharing agreement (the “**TSA**”) and a separate tax funding agreement (the “**TFA**”) with AAPT Holdings, which is the head company of the tax consolidated group of which we are a member. We may be required to make payments to AAPT Holdings under the TFA or, in some circumstances, the TSA, broadly reflecting the extent to which our activities contribute towards any tax liabilities of the head company. Under the TFA, we may also receive payments reflecting the extent to which our activities generate tax benefits for the group (e.g. tax losses or credits);
- **O&M Contract:** we are a party to the O&M Contract with the Operator, which was entered into on July 29, 2015. See “Summary Description of the Principal Project Documents—Key Terms of the O&M Contract” for a detailed description of the terms of the O&M Contract; and
- **Adani Mining User Agreement:** we are a party to a User Agreement with Adani Mining, which was entered into on October 31, 2016. See “Description of the Users and the User Agreements—Key terms of the User Agreements” for a detailed description of the terms of this User Agreement.

In addition, as set out under “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Leases”, we are a party to the Sub-Leases granted to us by the Guarantor over the land required to operate the terminal. Under the terms of the Sub-Leases, we are required to pay the Guarantor rent as described in “Summary Description of the Principal Project Documents—Key terms of the Lease arrangements and other project documents—Leases—Rent”.

The diagram below depicts each of the principal project documents and its relationship to the various parties involved with the terminal:



A more detailed summary of the principal project documents and the manner in which certain contractual rights were assumed by us is set out below.

The Acquisition of the terminal from NQBP in 2011 and Related Contractual Arrangements

APSEZ acquired all of our shares in June 2011. Prior to that time, certain assets relating to the terminal, including contractual rights and obligations under the User Agreements, were legally transferred by PCQ to NQBP and subsequently to us, through a statutory process pursuant to the Infrastructure Investment Act.

Key Terms of the O&M Contract

Overview of the O&M Contract

The O&M Contract is a long-term operation and maintenance contract, under which the Operator undertakes to operate and maintain the terminal by providing the services described below in exchange for payment by us of the payments described below.

The O&M Contract is due to expire on June 30, 2018, although the Operator has an option to extend the term of the O&M Contract up to three times, with each extension being for a period of not less than two years and not more than five years in duration.

The O&M Contract is governed by the laws of Queensland. We are not required to provide any credit support for our obligations under the O&M Contract however, we have required the Operator to provide us with a deposit in the amount of A\$15,400,000 as security for its obligations under the O&M Contract. We received that A\$15,400,000 security deposit on October 4, 2016.

Head Leases

The Guarantor leases the terminal site from NQBP pursuant to the Head Leases. The Head Leases comprise the Offshore Head Lease, the Onshore Head Lease and the Short Term Head Lease. The offshore land which has been leased by NQBP to the Guarantor pursuant to the Offshore Head Lease, itself forms part of land that has been leased by NQBP from the Crown pursuant to a perpetual Crown Lease. The Offshore Lease Preservation Deed between the State of Queensland, NQBP and the Guarantor dated June 1, 2011 provides for the Guarantor's continual use of the offshore land, should the Crown Lease in respect of that offshore land granted to NQBP be terminated or forfeited, unless the termination or forfeiture is as a result of a breach that is solely due to a failure by the Guarantor to perform its obligations under the Offshore Lease.

Pursuant to the terms of the Head Leases, the Guarantor leases the land on which the terminal is located, as well as the land required for the proper operation of the terminal, for a 99-year term expiring on June 30, 2110, unless terminated earlier. Each Head Lease is on substantially the same terms.

Sub-Leases

We occupy the terminal site pursuant to the Sub-Leases granted by the Guarantor. Pursuant to the terms of the Sub-Leases, the Guarantor sub-leases to us the land that is the subject of the Head Leases, on substantially the same terms as the Head Leases. The Sub-Leases comprise the Onshore Sub-Lease, the Offshore Sub-Lease and the Short Term Sub-Lease, each of which incorporates the terms of the Head Lease to which it relates. Each Sub-Lease expires one day prior to the date of expiration of the relevant Head Lease to which it relates.

We guarantee to NQBP the performance of the Guarantor's obligations under the Head Leases and indemnify NQBP for any loss suffered by it arising out of any default by the Guarantor of its obligations under the Head Leases.

Rent

Head Leases

The rent payable by the Guarantor under the Onshore Head Lease is comprised of base rent of A\$500,000 per annum (escalated at CPI each year), extra rent of A\$7,000,000 per annum (which may be increased by NQBP, within 6 months after providing the Guarantor with a rehabilitation plan as described under "—Usage" below, by an amount which is NQBP's bona fide determination of the amount necessary to rehabilitate the land connected with the terminal to a pre-development condition having regard to the latest rehabilitation plan), and an additional amount payable to NQBP within two years and 90 days of the termination of the Onshore Head Lease in the event that NQBP's actual costs of remediating the land to a pre-development condition exceed the total amount of extra rent the Guarantor has paid to NQBP throughout the term of the Onshore Head Lease.

The Offshore Head Lease provides that rent is A\$1 per annum, if demanded. However, the Crown Lease (which prevails in the event of inconsistency with the Offshore Head Lease) provides that nil rent is payable by the Guarantor and accordingly nil rent is payable under the Offshore Head Lease.

The Short Term Head Lease provides that rent is A\$1 per annum, if demanded.

The Guarantor's obligation to pay all monies under the Head Leases is not subject to abatement for any reason.

Sub-Leases

The rent payable by us in respect of the Onshore Sub-Lease is calculated, for the period April 1, 2017 until March 31, 2018, as

$R = (\text{Total Accounting Value of Assets in MPHT} / (\text{Total Accounting Value of Assets in MPHT} + \text{Total Accounting Value of Assets in AAPT})) \times (68.65\% \times \text{Total Turnover of Sublessee}) - (3\% \times \text{Operating Cost of Sublessee}).$

where:

- R = rent
- Total Accounting Value of Assets = Accounting book value of property, plant and equipment of the respective entity as at the period end, adjusted for asset revaluations less accumulated depreciation, plus the accounting book value of intangible assets less accumulated amortization;
- Total Turnover of Sublessee = Total accounting income for the period excluding interest income and foreign exchange gain; and
- Operating cost of Sublessee = Total costs for the period excluding any pass-through cost, finance charge, depreciation/amortization charge, foreign currency loss and income tax.

The rent payable under the Onshore Sub-lease is deemed to satisfy our obligation to pay rent under the Offshore Sub-Lease and the Short Term Sub-Lease. The rent payable by us under the Onshore Sub-Lease is reviewed every three years, or more frequently by agreement with the Guarantor. As noted in the Trust's Financial Statements, for fiscal 2017, the rent paid under the Onshore Sub-Lease was A\$203,663,000, for fiscal 2016 was A\$168,333,000 and for fiscal 2015 was A\$147,109,000.

Usage

The Head Leases provide that the Guarantor (as lessee under each of the Head Leases) must use the terminal site as a bulk cargo and commodity export terminal, including for the purposes of coal unloading, handling, coal loading services, dredging and associated activities. The Guarantor is required to maintain certain insurances and authorizations and manage and maintain the terminal site (including any improvements on the site) throughout the term of the Head Leases. Under the terms of the Head Leases, the Guarantor must arrange for the provision of services (such as power, gas, water and sewerage) to the terminal site at its own expense and maintain the environment of the terminal site in accordance with applicable law and authorizations. Any materials or improvements attached to the terminal site become the property of NQBP and are leased back to the Guarantor. The Guarantor must pay all charges, including taxes and rates, which are payable in relation to the ownership or use of the terminal site. Under the terms of the Sub-Leases, we owe equivalent obligations to the Guarantor.

The Guarantor has an obligation at five yearly intervals to procure the provision of a rehabilitation plan setting out works sufficient to undertake the rehabilitation of the site to a pre-development condition. At the end of the Head Leases, the Guarantor must give vacant possession of the site to NQBP and must work towards delivering the site free from all property, debris, waste materials and rubbish. The Guarantor is permitted to access the site for a period of 12 months of the end at the Head Leases for this purpose.

INDEPENDENT AUDITORS

The Issuer's Financial Statements and the Trust's Financial Statements for fiscal 2016 and fiscal 2017 included in this offering memorandum have been audited by Ernst & Young, as stated in their report appearing herein. The Combined Financial Information of the Issuer and the Trust as of and for each of the years ended March 31, 2016 and March 31, 2017 included in this offering memorandum have also been audited by Ernst & Young, as stated in their report appearing herein. The Combined Financial Information of the Issuer and the Trust as of for the four month interim period ended July 31, 2017 included in this offering memorandum has also been reviewed by Ernst & Young as stated in their report appearing herein.

The liability of Ernst & Young with respect to civil claims (in tort, contract or otherwise) arising out of its audits of the above-mentioned financial statements of the Issuer and the Trust and out of its audits of the above-mentioned combined financial information of the Issuer and the Trust included in this offering memorandum is limited by the Chartered Accountants Australia and New Zealand Professional Standards Scheme (NSW) approved by the Professional Standards Council or such other applicable scheme approved pursuant to the Professional Standards Act 1994 (NSW), including the Treasury Legislation Amendment (Professional Standards) Act 2004 (Cth).

APPENDIX A — GLOSSARY OF DEFINED TERMS

All capitalized terms used in this offering memorandum and not defined have the meanings assigned in this Glossary of Defined Terms, except as otherwise described under “Description of the Notes” and “Summary Description of the Principal Project Documents”.

1992 ISDA Master Agreement means the Master Agreement (Multicurrency — Cross Border) as published by the International Swaps and Derivatives Association, Inc.

2002 ISDA Master Agreement means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

A\$ and **Australian** dollars means the lawful currency of the Commonwealth of Australia.

A\$ Notes means the A\$ Notes due 2018 and the A\$ Notes due 2020.

A\$ Notes due 2018 means the A\$396,225,000 (as of July 31, 2017) senior notes due November 2018 as issued by the Issuer pursuant to the Existing 2018 A\$ Note Trust Deed.

A\$ Notes due 2020 means the A\$100,000,000 senior notes due May 2020 as issued by the Issuer pursuant to the Existing 2020 A\$ Note Trust Deed.

AAPT Holdings means Adani Abbot Point Terminal Holdings Pty Ltd (ACN 154 644 685).

AASBs or **Australian Accounting Standards** means Australian Accounting Standards as published by the Australian Accounting Standards Board.

ABN means Australian Business Number.

ACN means Australian Company Number.

ACCC means the Australian Competition and Consumer Commission.

Accounts means the statement of financial performance, statements of financial position and cash flow statements.

Accommodation Sub-Lease means the lease of part of a single story building erected on Lot 48 on SP 243724 (tile reference 50843301) between the Issuer (as lessor) and NQBP (as lessee).

Adani Enterprises means Adani Enterprises Limited, a company incorporated in India.

Adani Family Trust means the trust established in the British Virgin Islands by a member of the Adani family.

Adani Group means each of the Adani Family Trust and the SB Adani Family Trust and each of their respective subsidiaries, related bodies corporate and related entities, including (as applicable) Adani Enterprises, Adani Power and APSEZ.

Adani Mining means Adani Mining Pty Ltd (ACN 145 455 205).

Adani Power means Adani Power Limited, a company incorporated in India.

Additional Services has the meaning given under “Summary Description of the Principal Project Documents—Key Terms of the O&M Contract—Services provided by the Operator under the O&M Contract”.