

ASX Announcement

Thursday, 2 July 2009

National Australia Bank Limited announces buy-back of a particular series of subordinated debt

National Australia Bank ("NAB") announces that it is inviting holders of its U.S.\$250,000,000 Undated Subordinated Floating Rate Notes (ISIN: GB0006241326; Common Code: 001016598) (the "Notes") to tender any and all of the Notes held by them (subject to a minimum tender amount of U.S.\$10,000 in principal amount of the Notes) for purchase by NAB, subject to the satisfaction of certain conditions (the "Offer") contained in an offer memorandum relating to the Notes dated 2 July 2009 (the "Tender Offer Memorandum").

The Notes are listed on the Official List of the UK Listing Authority and admitted to trading on the Regulated Market of the London Stock Exchange plc. The terms and conditions of the Offer are set out in a Tender Offer Memorandum, which will only be made available to holders of the Notes (subject to certain restrictions).

Please see the attached announcement made through the Regulatory News Service of the London Stock Exchange.

The transaction is expected to settle on 27 July 2009.

This is not a solicitation of a tender or an offer to purchase securities. No invitation to tender is made, or will be made, to any Italian person or any person or address in the Republic of Italy.

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Offer has been or will be lodged with the Australian Securities & Investments Commission ("ASIC") and the Tender Offer Memorandum does not comply with Division 5A of Part 7.9 of the Corporations Act. In addition: (a) no offers or applications will be made or invited for the purchase or solicitation of tender of any Notes in Australia (including an offer or invitation which is received by a person in Australia); and (b) the Tender Offer Memorandum or any other offering material or advertisement relating to any Notes will not be distributed or published in Australia, unless (a) such action complies with all applicable laws, directives and regulations (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); (b) such action does not require any document to be lodged with ASIC; and (c) the offer or invitation is made in circumstances specified in Corporations Regulation 7.9.97.

National Australia Bank Limited
2 July 2009

**NOT FOR DISTRIBUTION TO ANY ITALIAN PERSON OR ANY PERSON OR
ADDRESS IN THE REPUBLIC OF ITALY**

NATIONAL AUSTRALIA BANK LIMITED
(ABN 12 004 044 937)
(Incorporated with limited liability in the Commonwealth of Australia)

**INVITATION TO TENDER FOR PURCHASE FOR CASH
in relation to any and all of its outstanding
U.S.\$250,000,000
Undated Subordinated Floating Rate Notes
(ISIN: GB0006241326; Common Code: 001016598)
(the "Notes")**

National Australia Bank Limited (the "**Bank**") today announces that it is inviting holders of the Notes to tender any and all of the Notes held by them (subject to a minimum tender amount of U.S.\$10,000 in principal amount of the Notes) for purchase by the Bank, subject to the satisfaction of certain conditions (the "**Offer**") contained in an offer memorandum relating to the Notes dated 2 July 2009 (the "**Tender Offer Memorandum**").

The Notes are listed on the Official List of the UK Listing Authority and admitted to trading on the Regulated Market of the London Stock Exchange plc.

The terms and conditions of the Offer are set out in a Tender Offer Memorandum, which will only be made available to holders of Notes (subject to certain restrictions). Holders of the Notes may request documents by contacting the Tender Agent or the Dealer Managers listed below.

For each Note validly tendered by Holders and accepted by the Bank for purchase pursuant to the Offer, the Bank will pay a cash purchase price equal to U.S.\$6,250 for each U.S.\$10,000 in principal amount of the Notes, together with accrued but unpaid interest thereon.

The Offer will expire at 4:00 p.m. (London time) on 22 July 2009, unless extended, amended or terminated by the Bank as provided in the Tender Offer Memorandum (such date and time with respect to the Offer, as it may be extended, the "**Expiration Date**").

In order to be eligible to receive the relevant consideration, holders of the Notes must validly tender their Notes at or prior to the Expiration Date. Settlement of the purchase price payable by the Bank for the purchase of Notes will occur promptly after the Expiration Date and is expected to take place on 27 July 2009.

Holders of the Notes who hold through Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* (each a "**Clearing System**") wishing to tender their Notes must submit, or arrange to have submitted on their behalf, at or before the Expiration Date and before the respective deadlines set by such Clearing Systems, duly completed electronic instructions, in each case in accordance with such Clearing Systems' respective requirements.

In order to be eligible to participate in the Offer, Holders holding Notes in definitive bearer form which are held outside the Clearing Systems (the “**Definitive Notes**”) must (i) arrange for the relevant principal amount of Definitive Notes which they wish to tender for sale to be deposited with a specialised depositary on behalf of either Clearing System, and (ii) maintain, or where relevant procure, access to a Clearing System account through which their Notes can be traded, and to which the relevant purchase price and accrued but unpaid interest may be credited. Holders of Definitive Notes who do not have access to a Clearing System account (either directly or through a direct participant in either Clearing System), or who do not deposit the Definitive Notes which they wish to tender for sale, with a specialised depositary on behalf of either Clearing System, will not be able to submit a Tender Instruction and will not be eligible to participate in the Offer.

Consummation of the Offer is subject to certain conditions which are set out in the Tender Offer Memorandum.

FOR MORE INFORMATION CONTACT:

Any questions or requests for information in relation to the Offer, including copies of the Tender Offer Memorandum, should be directed to the Tender Agent and the Dealer Managers at the telephone numbers and addresses listed below:

The Dealer Managers for the Offer

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

Outside of the United States

Telephone:
+ 44 (0) 20 7567 0525
Attention: Liability Management Group

Within the United States

Telephone:
+1 (888) 719 4210 (U.S. Toll-free)
+1 (203) 719 4210 (Collect)
Attention: Liability Management Group

National Australia Bank Limited

88 Wood Street
London EC2V 7QQ
United Kingdom

Telephone: + 44 (0) 20 7710 2246/ +44 (0) 20 7726 2747
Attention: Credit Trading/ Corporate & Institutional Sales

The Tender Agent

Lucid Issuer Services Limited

Leroy House
436 Essex Road
London N1 3QP
United Kingdom

Attention: Sunjeeve Patel/Lee Pellicci
Telephone: +44 (0) 20 7704 0880
E-mail: nab@lucid-is.com

Holders of the Notes should be aware that the Offer is not being made to, and any offers to tender will not be accepted from, or on behalf of, holders in any jurisdiction in which the making of such Offer would not be in compliance with the laws or regulations of such jurisdictions. In particular, persons located or resident in the Republic of Italy may not participate in the Offer.

Neither this announcement nor the Tender Offer Memorandum shall constitute the solicitation of a tender or an offer to purchase securities in the Republic of Italy or in any other jurisdiction where it is unlawful to do so. The Offer is being made by the Bank only pursuant to a confidential offering memorandum and related documentation and only to such persons and in such jurisdictions as is permitted under applicable law.

The distribution of the Tender Offer Memorandum and related documents in certain jurisdictions may be restricted by law. Persons into whose possession the Tender Offer Memorandum and related documents come are required by the Bank to inform themselves about and to observe any such restrictions.

Italy

The Offer is not being made in the Republic of Italy. The Offer and this Tender Offer Memorandum have not been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* pursuant to Italian laws and regulations. Accordingly, Holders are notified that, to the extent Holders are located or resident in the Republic of Italy, the Offer is not available to them and they may not tender Notes in the Tender Offer and, as such, any Tender Instructions received from or on behalf of such persons shall be ineffective and void, and neither this Tender Offer Memorandum nor any other documents or materials relating to the Offer or the Notes may be distributed or made available in the Republic of Italy.

United Kingdom

The communication of this Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom, and are only for circulation to (a) persons outside the United Kingdom; (b) to persons within the

United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")); (c) high net worth entities or other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (e) of the Order; or (d) persons falling within Article 43 of the Order (all such persons together being referred to as "**relevant persons**"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Belgium

The Offer is not being made, directly or indirectly, to the public in Belgium. The Tender Offer Memorandum has not been and will not be notified to nor approved by the Belgian Banking, Finance and Insurance Commission (*Commission Bancaire, Financière et des Assurances/Commissie voor het Bank, Financie en Assurantiewezen*) pursuant to Article 18 of the Belgian law of 22 April 2003 on the public offering of securities (the "**Law on Public Offerings**") and neither the Tender Offer Memorandum nor any other documents or materials relating to the Offer have been, or will be, approved by the Belgian Banking, Finance and Insurance Commission pursuant to Article 14 of the Law on Public Offerings. Accordingly, the Offer may not be advertised or made (either directly or indirectly) and neither the Tender Offer Memorandum nor any such documents or materials may be distributed or made available in Belgium other than to qualified investors (as referred to in Article 6 of the Law of 1 April 2007 on public acquisition offers) acting for their own account.

France

The Tender Offer Memorandum as well as any other offering materials relating to the Offer have not been distributed or caused to be distributed and will not be directly or indirectly distributed or caused to be distributed to the public in France; such Offer and any distributions have been and shall only be made in France to (a) providers of the investment services of portfolio management for the account of third parties, and (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 to D. 411-3 of the *French Code monétaire et financier*. The Tender Offer Memorandum has not been submitted to the clearance of the *Autorité des Marchés Financiers*.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Offer has been or will be lodged with the Australian Securities & Investments Commission ("**ASIC**") and the Tender Offer Memorandum does not comply with Division 5A of Part 7.9 of the Corporations Act. In addition: (a) no offers or applications will be made or invited for the purchase or solicitation of tender of any Notes in Australia (including an offer or invitation which is received by a person in Australia); and (b) the Tender Offer Memorandum or any other offering material or advertisement relating to any Notes will not be distributed or published in Australia, *unless* (a) such action complies with all applicable laws, directives and regulations (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); (b) such action does not require any document to be lodged with ASIC; and (c) the offer or invitation is made in circumstances specified in Corporations Regulation 7.9.97.

General

The Tender Offer Memorandum and related documents do not constitute an offer to buy or a solicitation of an offer to sell any Notes, and tenders of Notes in the Offer will not be accepted from holders of the Notes, in any jurisdiction in which such offer or solicitation is unlawful. In those jurisdictions where the securities or other applicable laws require the Offer to be made by a licensed or other regulated broker or dealer and UBS Limited and/or National Australia Bank Limited, as Dealer Managers (or any of their affiliates) are such a licensed broker or dealer in such jurisdictions, the Offer may be deemed to be made on behalf of the Bank by UBS Limited and/or National Australia Bank Limited, as Dealer Managers (or any of their affiliates (where so licensed), as the case may be), subject to compliance with applicable law and the Offer is not being made in any jurisdiction where UBS Limited and/or National Australia Bank Limited, as Dealer Managers (or any of their affiliates) is not so licensed.

DISCLAIMER: THIS ANNOUNCEMENT MUST BE READ IN CONJUNCTION WITH THE TENDER OFFER MEMORANDUM. THIS ANNOUNCEMENT AND THE TENDER OFFER MEMORANDUM CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER. ANY INDIVIDUAL OR COMPANY WHOSE NOTES ARE HELD ON ITS BEHALF BY A BROKER, DEALER, BANK, CUSTODIAN, TRUST COMPANY OR OTHER NOMINEE OR INTERMEDIARY MUST CONTACT SUCH ENTITY IF IT WISHES TO TENDER NOTES IN THE OFFER. NONE OF UBS LIMITED, NATIONAL AUSTRALIA BANK LIMITED (IN THEIR CAPACITY AS DEALER MANAGERS), LUCID ISSUER SERVICES LIMITED (IN ITS CAPACITY AS TENDER AGENT) OR THE BANK MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS OF THE NOTES SHOULD TENDER NOTES IN THE OFFER OR PARTICIPATE IN THE OFFER.

Dated: 2 July 2009