



PLACING DOCUMENT

**Trans-Caledon Tunnel Authority Registered Stock
(WSP1, WSP2, WSP3, WSP4 and WSP5)
Secured by Republic of South Africa Government Guarantee**

9.0 % coupon, redeemable as follows:

WSP1	ZAR 200 million	28 May 2015,
WSP2	ZAR 200 million	28 May 2017,
WSP3	ZAR 200 million	28 May 2019,
WSP4	ZAR 200 million	28 May 2020, and
WSP5	ZAR 200 million	28 May 2021

**Issue Value ZAR 1 000 million
Authorised Nominal Value ZAR 1 000 million**

SUMMARY

Issue	Issue of TCTA Registered Stock (WSP1, WSP2, WSP3, WSP4 and WSP5) with a combined authorised nominal value of ZAR 1 000 million, secured by the Consolidated Capital Market Guarantee.
Purpose	To source operating capital for TCTA's normal business activities relating to the transfer of water from the Kingdom of Lesotho to the Republic of South Africa.
Amount	The issue will be for a nominal value of ZAR 1 000 million.
Interest rate (per annum)	9.0 %
Redemption dates	28 May 2015 (WSP1); 28 May 2017 (WSP2); 28 May 2019 (WSP3); 28 May 2020 (WSP4); and 28 May 2021 (WSP5)
Redemption value	ZAR 200 million per Redemption Date (per Tranche) (20% of 100 % of issued nominal value per Redemption Date)
Interest payable	Interest is payable semi-annually in arrear on the Capital Outstanding on the day preceding the Interest Payment Date, where the Interest Payment Dates are determined as 28 May and 28 November in each year until the last Redemption Date, with the first payment due on 28 November 2003 and the last payment due on 28 May 2021.
Register closed	The Register shall be closed during the 10 days preceding each Interest Payment Date and the last Redemption Date, from 18 May to 27 May (both inclusive) and from 18 November to 27 November (both inclusive) of each year.
Date of initial issue	Wednesday, 21 May 2003.
Subscription date	Payment by the investors must be made to their Settlement Agent on Wednesday, 28 May 2003 in accordance with the Rules.
Trading	The TCTA stock will be listed on the Bond Exchange (under the BESA stock code "WSP1", "WSP2", "WSP3", "WSP4" and "WSP5") and tradable by members of the Bond Exchange from Wednesday, 21 May 2003.
Stamp duty	In terms of current legislation, as at the date of this placing document, TCTA stock is transferable, free of stamp duty, marketable securities tax and registration charges. Any future statutory charges will be for the cost of Stockholders as recorded in the Register at such time.

Electronic settlement

The settlement of trades on BESA will take place in accordance with the electronic settlement procedures specified by the rules of BESA, the Central Depository and UNEXcor.

Interest and capital payments will be made by electronic funds transfer.

Blocked rand

Blocked rand may be used to purchase TCTA stock subject to South African Exchange Control Regulations.



THE ISSUER

The TCTA was established in terms of section 138A of the Water Act, 1956, by Government Notice 2631 of 12 December 1986, revised by Government Notice 21017 of 24 March 2000 and promulgated in terms of Chapter 10 of National Water Act, 1998.

The Minister of Water Affairs and Forestry has directed TCTA in terms of various directives incorporated in the revised Notice of Establishment published in Government notice no 21017 dated 24 March 2000 to raise loans and to undertake the financial risk management of the full water delivery portion of the LHWP, on behalf of the RSA.

BACKGROUND TO THE LESOTHO HIGHLANDS WATER PROJECT

The LHWP is a joint project between the Government of the Republic of South Africa and the Kingdom of Lesotho and is governed by the Treaty signed on 24 October 1986.

The purpose of the scheme is to provide additional water to the Vaal River System in the Republic of South Africa and to generate hydroelectric power in Lesotho. The project consists of various proposed phases of which both Governments are committed to Phase 1. Phase 1 entails two sub phases, A and B. Construction on Phase 1A was completed during January 1998, at which stage water delivery commenced. Construction on Phase 1B is in progress and it is estimated that Phase 1B will be completed by 2004.

BACKGROUND TO THE ISSUE

In terms of the Treaty, the Government of the Republic of South Africa is responsible for all costs incurred for the implementation, operation and maintenance of that part of the Project relating to the transfer of water from Lesotho to South Africa.

The responsibility of the Government of the Republic of South Africa to pay for all such costs, in terms of the Treaty, has been delegated to the TCTA.

The proceeds of the issue will be used to fund operating capital for TCTA's normal business activities, to refinance maturing debt and to provide a wider band of maturities for effective interest rate risk management of the Project.

INTERPRETATION

In this placing document, unless otherwise stated or implied by the context, the words and phrases in the first column have the meaning stated opposite them in the second column:

“Beneficial Interest”	the undivided share of a co-owner of TCTA stock represented by Global certificates as provided in section 4 of the Custody and Administration of Securities Act, 1992;
“Bond Exchange” or “BESA”	the Bond Exchange of South Africa, a licensed financial exchange in terms of the Financial Markets Control Act, 1989;
“Bond Exchange System”	the electronic booking, matching and settlement system operated by UNEXcor for the Bond Exchange to facilitate electronic settlement of funds and scrip;
“Books Close Dates”	means the 10 days preceding each Interest Payment Date and Redemption Dates during which the Register will be closed for further transfers or entries until but excluding the relevant Payment Date;
“Business Day”	any day other than a Saturday, Sunday or public holiday in the Republic of South Africa on which commercial banks settle payments in Rand in Johannesburg;
“Capital Outstanding”	the nominal amount outstanding on the day preceding the Interest Payment Date where capital outstanding is determined as the original Issue value less the cumulative nominal amount redeemed on the Redemption Dates prior to the Interest Payment Date;
“Central Depository”	The Central Depository Limited (Reg. No. 1991/000941/06) operating in terms of the Custody and Administration of Securities Act, 1992, or its nominee, for the custody of securities;
“CD Participant”	Depository institutions accepted by the Central Depository as participants in terms of the Custody and Administration of Securities Act, 1992, all of which are also Bond Exchange approved Settlement Agents;
“Conditions”	means the terms and conditions of the Stock, set out in this placing document governing this Issue;
“Consolidated Capital Market Guarantee”	a guarantee issued by the Government of the Republic of South Africa on 08 March 2001 for the obligations of the Issuer to pay interest and capital on the TCTA WSP1, WSP2, WSP3, WSP4 and WSP5 stock and all Stock previously issued by TCTA under WS01, WS03, WS04 and WS05;
“Interest Payment Date”	28 May and 28 November in each year until the last Redemption Date. If the relevant Interest Payment Date is not a Business Day, then Stockholders shall not be entitled to payment until the next Business Day;
“Issue”	the authorised and issued nominal value of TCTA stock of ZAR 1 000 million;

"Issue Date"	Wednesday, 21 May 2003, being the date of issuing the TCTA stock;
"LHWP" or "the Project"	Lesotho Highlands Water Project;
"Payment Date"	means the date on which the interest or capital to be paid by TCTA in respect of TCTA stock outstanding from time to time falls due. If the relevant Interest Payment Date or Redemption Date, is not a Business Day, then Stockholders shall not be entitled to payment until the next Business Day;
"Redemption Date(s)"	28 May 2015 (WSP1), 28 May 2017 (WSP2), 28 May 2019 (WSP3), 28 May 2020 (WSP4) and 28 May 2021 (WSP5) or, if such date is not a Business Day, the next Business Day;
"Redemption Value"	means ZAR 200 million per Redemption Date (per Tranche) (20% of the original issued nominal value of TCTA stock per Redemption Date);
"Register"	the register of Stockholders kept by the Transfer Secretary;
"Rules"	the rules and directives of the Bond Exchange;
"Settlement Agent(s)"	the settlement agents approved by the Bond Exchange to perform electronic settlement of both funds and scrip as at the date of this placing document, namely ABSA Bank Limited, FirstRand Bank Limited, Nedcor Bank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank on behalf of all CD Participants on the Bond Exchange from time to time;
"Subscription Date"	Wednesday, 28 May 2003, being the date upon which the investors are required to pay for the TCTA stock;
"Sponsoring member"	means TCTA, being a member of BESA;
"Stockholders"	the investors to which TCTA stock has been issued or its successors in title;
"TCTA" or "the Issuer"	Trans-Caledon Tunnel Authority, established in terms of section 138A of the Water Act, 1956;
"TCTA stock" or "Stock"	TCTA Registered Loan Stock (WSP1, WSP2, WSP3, WSP4 and WSP5) with a combined authorised nominal value of ZAR 1 000 million secured by the Consolidated Capital Market Guarantee and classified as "loan stock" pursuant to the provisions of the Financial Markets Control Act, 1989;
"Tranche"	means a nominal amount of ZAR 200 million TCTA stock per Redemption Date and BESA registered code as follows: 28 May 2015 (WSP1); 28 May 2017 (WSP2); 28 May 2019 (WSP3); 28 May 2020 (WSP4); and 28 May 2021 (WSP5); where the cumulative value of the Tranches is equal to the Issue;
"Transfer Secretary"	Computershare Investor Services Limited (Reg. No. 1958/003546/06);

"Treaty" the Treaty on the LHWP entered into between the Governments of the Republic of South Africa and the Kingdom of Lesotho on 24 October 1986;

"Trustee" Deloitte & Touche, Chartered Accountants (SA) or such other Trustee as may be appointed by the directors of the Issuer from time to time to enforce the Consolidated Capital Market Guarantee on behalf of the Stockholders;

"UNEXcor" Universal Exchange Corporation Limited (Reg. No. 1989/000650/06) acting as the approved electronic clearing house, carrying on the role of matching, clearing and facilitation of settlement of all transactions carried out on BESA;

"ZAR" or "Rand" South African Rand, the lawful currency of the Republic of South Africa.

FORM OF THE CERTIFICATES

Stock comprising each Tranche will initially be represented by a single certificate per Redemption Date in registered form, without interest coupons (the "**Global Certificates**"), which will be lodged and immobilised in the Central Depository, which forms part of the settlement system of BESA. This will mean that the Global Certificates, will be deposited with and registered in the name of, and for the account of, the Central Depository operating in terms of the Custody and Administration of Securities Act, 1992 (or any successor Act thereto) (the "**Central Depository**").

For as long as any of the Stock is represented by the Global Certificates registered in the name of and held by the Central Depository, each holder of a Beneficial Interest in Stock represented by the Global Certificates shall be treated by the Issuer, the Transfer Secretary, the Settlement Agents, BESA and the Central Depository as the Stockholder of such nominal amount of such Stock, except for purposes of payment of capital and interest on TCTA stock which will be made to the Central Depository only. All amounts owing to holders of Beneficial Interests will be paid to the Central Depository and all rights of the holders of Beneficial Interests to be exercised in respect of the Stock held in the Central Depository and represented by the Global Certificates shall be exercised through a CD Participant who shall, insofar as those rights have to be exercised against the Central Depository, exercise such rights in its own name on behalf of the relevant holders of Beneficial Interests. Each holder of a Beneficial Interest in Stock represented by the Global Certificates shall look solely to the Central Depository or its CD Participant or other registered holder of the Global Certificates as the case may be and shall have no right of recourse against TCTA.

The undivided share of a co-owner of TCTA stock represented by the Global Certificates in the Central Depository ("**Beneficial Interest**") may, in terms of existing law and practice, be transferred through the Central Depository system by way of electronic book entry in the securities accounts of the CD Participants, who are also approved by BESA to perform electronic net settlement of both funds and scrip on behalf of market participants. A certificate or other document issued by a CD Participant as to the nominal amount of any Beneficial Interest in Stock standing to the account of any person shall be *prima facie* proof of such Beneficial Interest.

TERMS AND CONDITIONS OF THE ISSUE

1. Authorisation

- 1.1 The Issue was approved by a resolution of the board of directors of the Issuer dated 16 April 2003 ("the resolution").
- 1.2 All TCTA stock will be held and issued subject to the Conditions contained herein.
- 1.3 These Conditions are binding on the Issuer and will be binding on each Stockholder whose name is entered in the Register or who is the holder of a Beneficial Interest in TCTA stock.

2. The issue of TCTA stock

- 2.1 The Issue will be for a nominal value of ZAR 1 000 million and will be used for TCTA's normal business activities relating to the transfer of water from Lesotho to the Republic of South Africa.
- 2.2 All TCTA stock shall, on winding-up or distribution of assets, rank pari passu with existing LHWP water transfer debt then in issue [namely, all loans, credit facilities or other borrowings procured by the Lesotho Highlands Development Authority or the TCTA for the implementation, operation and maintenance of that part of the LHWP relating to the delivery of water to the Republic of South Africa] from the respective dates of allotment and issue thereof.

3. Payment and certificates

- 3.1 Payment of the full price of the TCTA stock issued, must be made on Wednesday, 28 May 2003 before 12:00 (South African time) to their Settlement Agents, in ZAR in terms of the Rules.
- 3.2 The certificate of each Tranche will be issued in the form of a single certificate per Redemption Date, (the "Global Certificates"), which will be lodged and immobilised in the Central Depository.
- 3.3 For as long as any of the Stock is represented by Global Certificates registered in the name of and held by the Central Depository, each holder of a Beneficial Interest in Stock represented by Global Certificates shall be treated by the Issuer, the Transfer Secretary, the Settlement Agents, BESA and the Central Depository as the beneficial Stockholder of such nominal amount of such Stock, except for purposes of payment of capital or interest on TCTA stock, which will be made to the Central Depository only.

4. Government guarantee

- 4.1 The obligation of the Issuer to pay interest and repay capital on TCTA stock is explicitly guaranteed by the Government of the Republic of South Africa on the terms and conditions set out in the Consolidated Capital Market Guarantee.
- 4.2 The Trustee has been appointed to hold and enforce the Consolidated Capital Market Guarantee on behalf of Stockholders.

5. Bond Exchange listing

- 5.1 The TCTA stock is listed on the Bond Exchange (under the BESA stock code "WSP1", "WSP2", "WSP3", "WSP4" and "WSP5") as an approved financial instrument in terms of the Financial Markets Control Act, 1989 and the Rules.

6. Transfer of Certificates

- 6.1 Stock comprising each Tranche will initially be represented by the Global Certificates. Stock which is represented by the Global Certificates will be exchangeable and transferable only in accordance with the terms and conditions and the rules and operating procedures for the time being of the Central Depository and BESA, as the case may be (the "Applicable Procedures").
- 6.2 The Global Certificates will initially be registered in the Register in the name of, and held by, the Central Depository. Beneficial Interests in the Stock represented by the Global Certificates may, in terms of the Applicable Procedures, be transferred through the Central Depository system by way of book entries in the securities accounts of the relevant CD Participants. Such transfers will not be recorded in the Register, and the Central Depository will continue to be reflected as the relevant registered holder of the certificates represented by the Global Certificates. Transfer of Beneficial Interests in Stock in the Central Depository to and from clients of CD Participants will occur by book entries in the securities accounts of the clients with Settlement Agents.

7. Interest

- 7.1 Interest, at the rate of 9.0 % per annum, will be paid semi-annually in arrear, based on the Capital Outstanding on the day preceding the Interest Payment Date, on the Interest Payment Dates until the last Redemption Date.
- 7.2 Notwithstanding the number of days in any year or in any interest period, TCTA shall pay interest of ZAR 45 000 for every ZAR 1 million nominal amount of Capital Outstanding during each interest period. Interest will be calculated on a pro rata basis for smaller nominal values.
- 7.3 Interest Payment Dates will be 28 May and 28 November in each year up to but excluding the Redemption Dates.
- 7.4 The Register shall be closed during the 10 days preceding each Interest Payment Date and the Redemption Date, from 18 May to 27 May (both inclusive) and from 18 November to 27 November (both inclusive) of each year.
- 7.5 Payments of interest will be made by electronic funds transfer to the Central Depository as registered holder of the Global Certificates in terms of the Register on the Books Close Dates, whereupon the relevant obligations of the Issuer in respect of each amount so paid will be discharged in full.
- 7.6 Each holder of a Beneficial Interest in Stock represented by a Global Certificates shall look solely to the Central Depository or its CD Participant or other registered holder of the Global Certificates, as the case may be, for its share of each payment so made by the Issuer to the registered holder of such Global Certificates. Accordingly, each holder of a Beneficial Interest shall have no right of recourse against TCTA.
- 7.7 As at the date of this placing document and in terms of current legislation, interest payments to non-residents are free of withholding tax. However, prospective applicants should consult their own professional advisors in regard to the issue of TCTA stock and the tax implications thereof.

8. Redemption of capital

- 8.1 The issue value of TCTA stock will be redeemed in five equal Tranches of ZAR 200 million each, on the Redemption Dates.
- 8.2 Payments of capital will be made by electronic funds transfer to the Central Depository as registered holder of the Global Certificate, in terms of the Register on the close of business of the day preceding the Book Close period whereupon the relevant obligations of the

Issuer in respect of each amount so paid will be discharged accordingly.

- 8.3 Each holder of a Beneficial Interest in Stock represented by a Global Certificate shall look solely to the Central Depository or its CD Participant or other registered holder of the Global Certificate, as the case may be, for its share of capital re-payment so made by the Issuer to the registered holder of such Global Certificate(s). Accordingly, each holder of a Beneficial Interest shall have no right of recourse against TCTA.

9. Exchange Control Regulations

9.1 Non-South African Resident Stockholders and Emigrants from the Common Monetary Area.

The information below is not intended as advice and it does not purport to describe all the considerations that may be relevant to a prospective purchaser of Stock. Prospective purchasers of Stock that are non-South African residents or emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the purchase of Stock.

Blocked rand may be used for the purchase of Stock. Any amounts payable by the Issuer in respect of the Stock purchased with Blocked rands may not, in terms of the Exchange Control Regulations, 1961, be remitted out of South Africa or paid into any non-South African bank account. For the purposes of this clause, Blocked rand are defined as funds which may not be remitted out of South Africa or paid into a non-South African resident's bank account.

9.1.1 Emigrants from the Common Monetary Area

Where the emigrants hold Stock through the Central Depository, the securities accounts maintained for such emigrants by the Settlement Agents, will be restrictively endorsed.

Subject to the Exchange Control Regulations, 1961, any payment of interest or capital (where such interest is not remittable in terms of B.6(B)(i) of the Rulings under the Exchange Control Regulations, 1961) due to an emigrant Stockholder will be deposited into such emigrant's Blocked rand account, as maintained by an authorised foreign exchange dealer.

9.1.2 Non-residents of the Common Monetary Area

In the event that Stock are held by a non-resident of the Common Monetary Area through the Central Depository and its relevant Settlement Agents, the securities account of such Stockholder will be designated as a "non-resident" account.

For the purposes of these paragraphs, the Common Monetary Area includes the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho.

10. Interest and redemption payments

- 10.1 Interest and redemption payments will be made by electronic funds transfer.

11. Registers

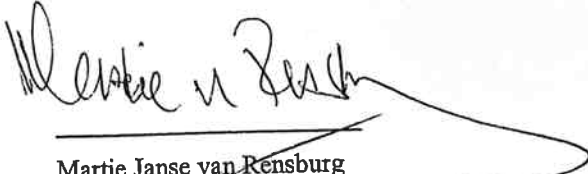
- 11.1 The Central Depository (in respect of the Global Certificate) will be the only registered Stockholders. The Transfer Secretary will list in the Register the Central Depository as the registered Stockholders.
- 11.2 The Transfer Secretary shall not be bound to enter in the Register notice of any trust or to recognise any right of any person to TCTA stock other than the Stockholders.

12. Documents available for inspection

- 12.1 Copies of the Consolidated Capital Market Guarantee, the Treaty, the audited annual financial statements of the Issuer for its most recent financial year and the resolution of the

board of directors of the Issuer are available for inspection on request at the offices of TCTA and the Trustee during normal business hours until the last Redemption Date.

Signed at Centurion on behalf of TCTA 21 May 2003.


Martie Janse van Rensburg
Chief Executive Officer


Lynette Milne
Chief Financial Officer