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## Investor Briefing

# Agreed Takeover Offer for Sunshine Gas Limited

*20 August 2008*





## Summary of Offer

### Highly attractive acquisition and a significant value creation opportunity for QGC and Sunshine

- Queensland Gas Company Limited (**QGC**) has reached agreement with Sunshine Gas Limited (**Sunshine**) for an offer by QGC for all the issued shares in Sunshine
- Sunshine shareholders have a choice of two consideration alternatives, both of which value Sunshine at more than \$830 million<sup>1</sup>:
  - All scrip: **5 QGC shares for every 8 Sunshine shares**; or
  - Cash and scrip: **\$1.65 plus 2 QGC shares for every 7 Sunshine shares**
- On an all scrip basis, the offer implies a **22.7% premium** to the closing price before announcement<sup>1</sup> and a **34.4% premium** to the Sunshine one month VWAP<sup>2</sup>
- On a cash and scrip basis, the offer implies a **31.1% premium** to the closing price before announcement<sup>1</sup> and a **43.6% premium** to the Sunshine one month VWAP<sup>2</sup>
- QGC has entered into a Pre Bid Acceptance Agreement with Sunshine's largest shareholder in respect of 15 per cent of Sunshine's issued shares
- The offer has been unanimously recommended by voting directors<sup>3</sup> of the Sunshine Board who have indicated that they will accept the offer within seven days from the date of the Target Statement in the absence of a superior proposal and where the independent expert concludes the offer is fair and reasonable

1: Applying QGC's closing price before announcement of \$4.32 on 19 August 2008

2: Applying Sunshine's one month Volume Weighted Average Price of \$2.01

3: Voting Directors of Sunshine means all of Sunshine's non-conflicted Directors

# Overview of Sunshine Gas Limited

- Sunshine has established independently certified gas reserves at its 100% owned Lacerta CSG project near Roma and is focused on developing the field for gas production
- ~30,000 km<sup>2</sup> of coal seam gas and conventional gas acreage
- No debt

## Lacerta Reserves

1P (Proved): 44PJ

2P (Proved and Probable): 469PJ

3P (Proved, Probable and Possible):  
1,097PJ

## Conventional Gas Projects

Overston (Sunshine 100%)

Red Rock (Sunshine 100%)

ATP 645P (Sunshine 100%)

Champagne Creek (Sunshine 100%)

## On-Shore Oil Projects

Cooper (Sunshine 100%)

Alton (Sunshine ~33%)

## Coal Seam Gas Projects

Lacerta (Sunshine 100%)

Atria (Sunshine 100%)

Polaris (Sunshine 100%)

Tardrum (Sunshine 50%)

Paranui (Sunshine 50%)

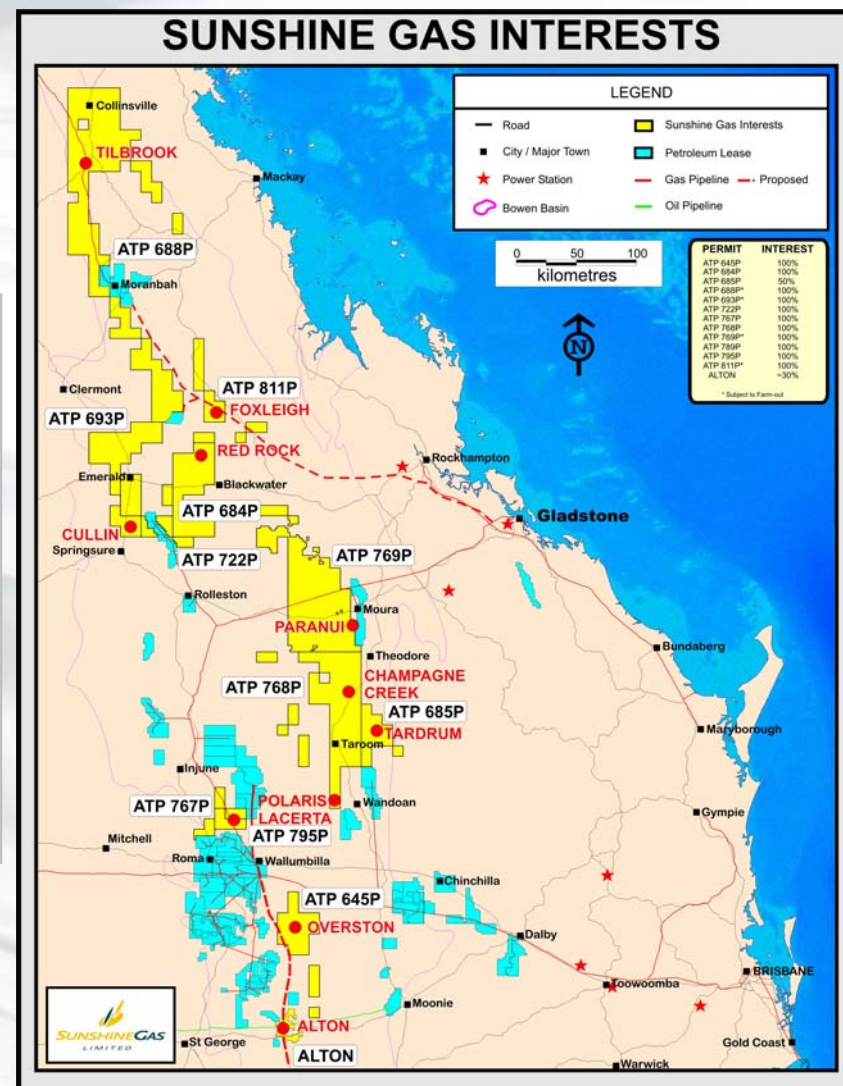
Tilbrook (Sunshine 50%)

Crocker Gully (Sunshine 50%)

Atria West (Sunshine 100%)

Foxleigh (Sunshine 100%)

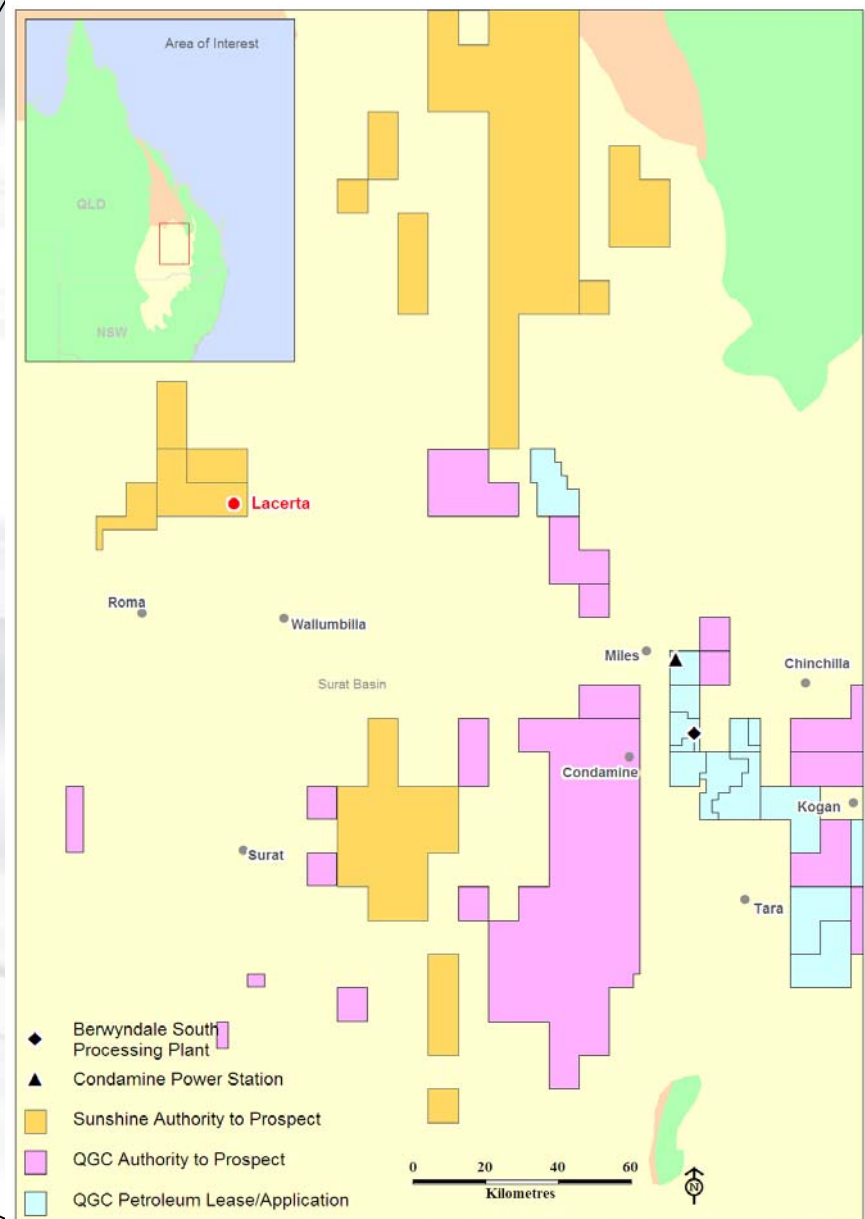
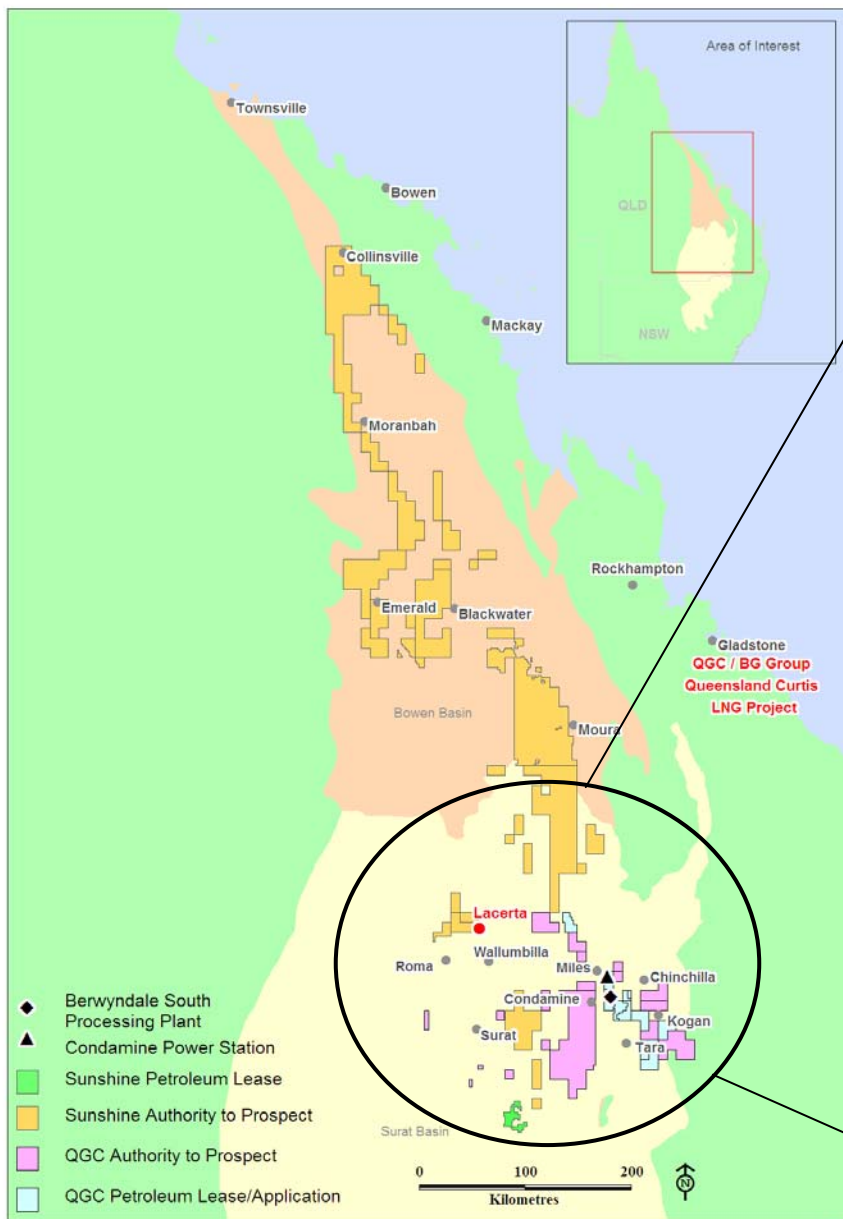
Cullin (Sunshine 100%)



Source: Sunshine

# Complementary Acreage

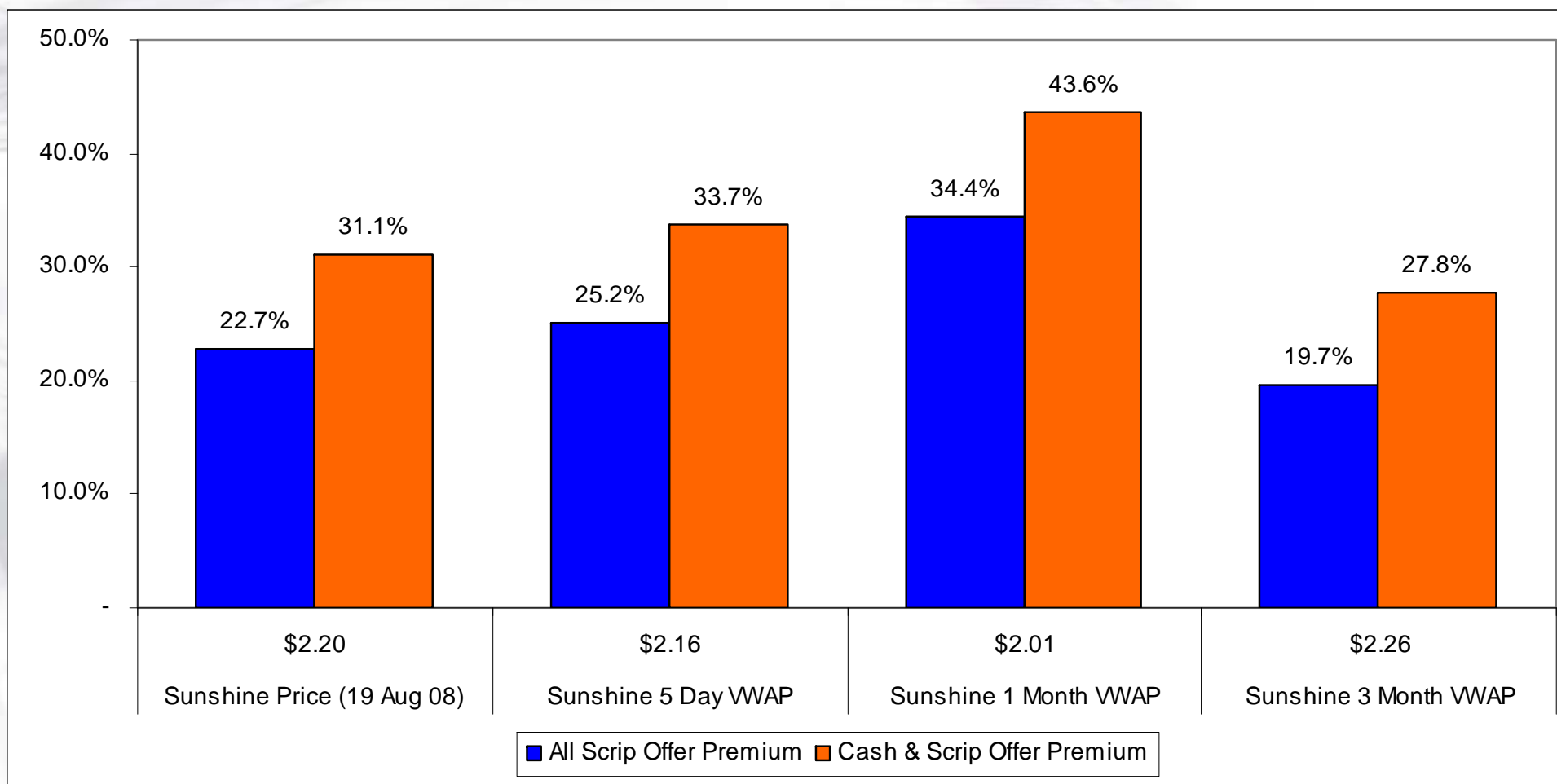
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# Significant Premium for Sunshine Shareholders

- The QGC offer represents a significant premium for Sunshine shareholders and an exciting growth avenue for QGC shareholders<sup>1</sup>



1: The offer is valued for the purpose of this table by applying QGC's closing price before announcement of \$4.32 on 19 August 2008

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## Benefits to QGC Shareholders

**Sunshine is an attractive growth opportunity consistent with QGC's integrated energy strategy**

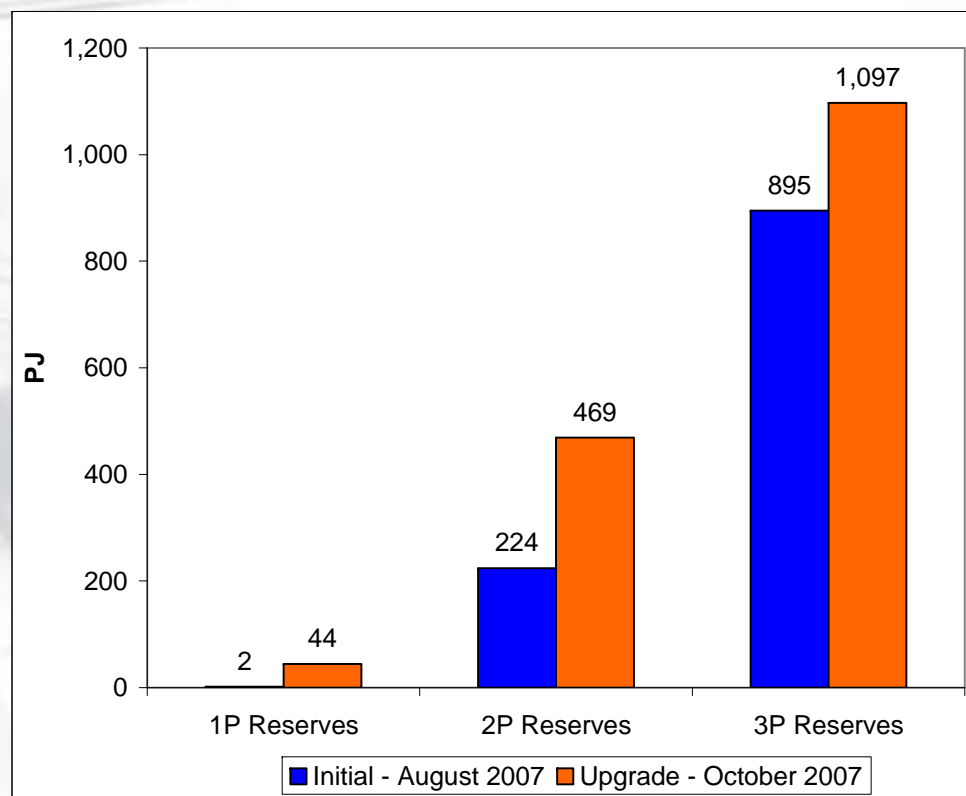
- ✓ Significantly increased resource base
  - Sunshine represents a well managed CSG company in Queensland with a significant certified reserve base
- ✓ Achieves additional acreage to further pursue domestic gas opportunities including the development of gas-fired power stations in New South Wales and Queensland
- ✓ Provides additional reserves for QGC participation in Queensland Curtis LNG Project with BG Group
- ✓ Combined entity provides access to an increased portfolio of exploration and production permits across Queensland's premier gas basins
- ✓ Sunshine and QGC are geographically and culturally aligned



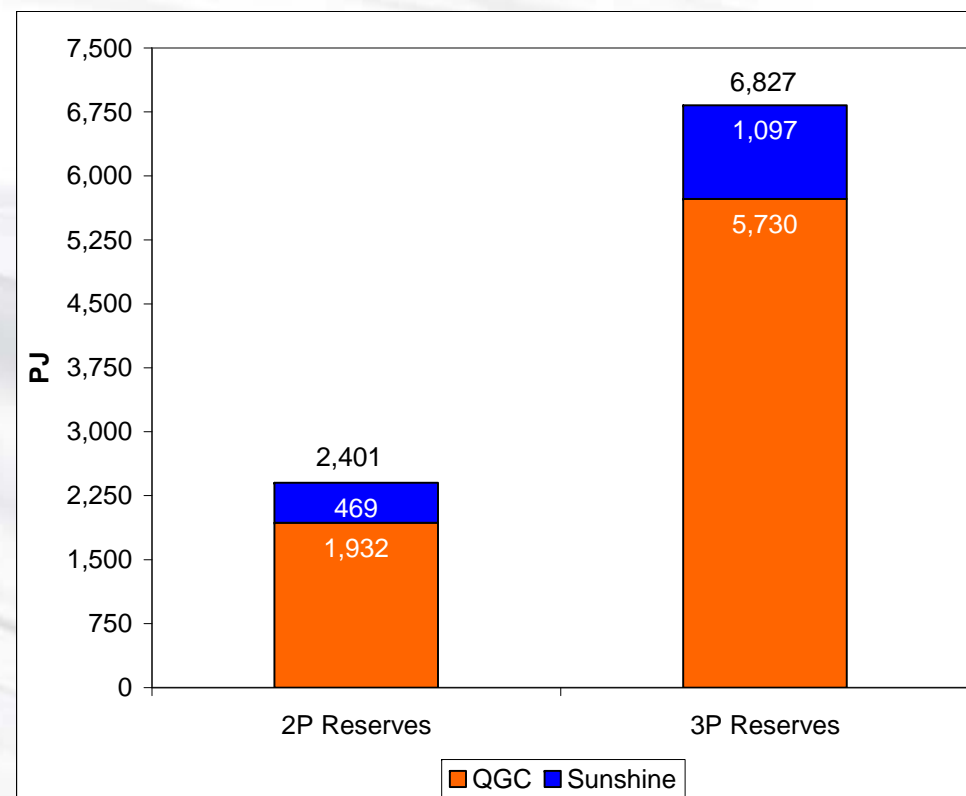
## Increase in QGC Certified Reserves

- Sunshine brings additional 1P, 2P and 3P reserves to QGC's already significant resource base
- QGC's 3P reserves will increase to almost 7,000 PJ as a result of the acquisition of Sunshine
- All 1P, 2P and 3P reserves would be 100% owned by QGC

Sunshine Standalone Reserves



Combined QGC & Sunshine Reserves



Note: QGC equity share of reserves  
Source: Sunshine and QGC



## Benefits to Sunshine Shareholders

**Sunshine shareholders will participate in the upside associated with accelerated commercialisation of Sunshine's acreage by one of Australia's leading growth companies**

- ✓ Become part of one of Australia's leading integrated energy companies
- ✓ Access to a world-class LNG project with a global LNG partner
- ✓ Access to exciting domestic gas commercialisation opportunities
- ✓ QGC is offering a significant premium to recent trading prices
- ✓ Capital gains tax roll-over relief expected to be available for scrip consideration component (minimum 80% acceptance)





## Offer Indicative Timing

Key Milestone	Date
Takeover Bid Implementation Agreement executed	20 August 2008
Offer jointly announced	20 August 2008
QGC lodges and serves Bidder's Statement	8 September 2008
Bidder's Statement to Sunshine shareholders	15 September 2008
Target's Statement to Sunshine shareholders	26 September 2008
Initial close of Offer (subject to extension)	13 October 2008



## Summary

- QGC is seeking to acquire all of Sunshine's shares. Sunshine shareholders will be offered the following alternatives, both of which value Sunshine at more than \$830 million<sup>1</sup>:
  - 5 QGC shares for every 8 Sunshine shares; or
  - \$1.65 plus 2 QGC shares for every 7 Sunshine shares
- The QGC offer represents a significant premium for Sunshine shareholders and an exciting growth avenue for QGC shareholders
- The offer has been unanimously recommended by voting directors<sup>2</sup> of the Sunshine Board, and will be accepted into by these directors within seven days from the date of the Target Statement
- The offer is supported by Sunshine's major shareholder, which has entered into a Pre Bid Acceptance Agreement with QGC in respect of 15% of Sunshine's issued capital
- QGC's 100% owned coal seam gas acreage will increase significantly, with 2P (Proved and Probable) reserves increasing by 469 PJ to 2,401 PJ and 3P (Proved, Probable and Possible) reserves increasing by 1,097 PJ to 6,827 PJ
- Achieves additional acreage to further pursue domestic gas opportunities including the development of gas-fired power stations in New South Wales and Queensland
- Provides additional reserves for QGC participation in Queensland Curtis LNG Project with BG Group

1: Applying QGC's closing price before announcement of \$4.32 on 19 August 2008 on an all scrip basis

2: Voting Directors of Sunshine means all of Sunshine's non-conflicted Directors



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