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**Monday, 24 April 2006**

**Sydney Gas Limited 02 – Panel Receives Application**

The Takeovers Panel advises that it has received an application from Queensland Gas Company Limited (QGC), in relation to a takeover offer by QGC for all the shares in Sydney Gas Limited (SGL).

QGC's application submits (among other matters) that the SGL target's statement is deficient because it fails to provide SGL shareholders with sufficient information in relation to the "Recapitalisation Plan" proposed by SGL.

The "Recapitalisation Plan" involves the following elements:

- an underwritten, non-renounceable pro rata rights issue to SGL shareholders of ordinary shares in SGL;
- a non-underwritten, non-renounceable pro rata issue to SGL convertible noteholders; and
- the issue of convertible notes to Babcock & Brown and its associates.

QGC has sought a declaration of unacceptable circumstances, interim and final orders.

QGC has sought an interim order that no resolution concerning the "Recapitalisation Plan" be put to or voted on by the SGL shareholders until the SGL shareholders are provided with further information or the Panel either does not commence proceedings or determines proceedings in respect of the application.

The Panel has not decided whether to conduct proceedings in relation to the application and makes no comment on the merits of the application. It also notes that it has not received submissions from the other parties to the application and it is, therefore, unaware of their views.

The President of the Panel has appointed the same members who considered the first Sydney Gas Limited matter.

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