



Reset Preference Shares – Reset Notice

1. The following terms are being reset

- The next Reset Date will be 14 September 2011;
- The Dividend Rate for the period from 14 September 2006 until the next Reset Date will be the Market Rate plus the Margin;
 - The Market Rate will be the five year swap rate on 14 September 2006;
 - The Margin will be calculated according to the formula

$$[(\text{Market Rate} + 1.00\%) \times (1 - \text{corporate tax rate of } 30\%)] - \text{Market Rate}$$

The dividend would also be entitled to have franking credits attached. By way of example, the five year swap rate on 23 June 2006 was 6.3255%. If the dividend was being calculated using the five year swap rate on 23 June 2006, the Dividend Rate would be 5.1280% per annum and you would also be entitled to have franking credits of 2.1975% attached. The final Dividend Rate will not be known until 14 September 2006 and may be higher or lower than 5.1280%; and
- The frequency of the Dividend Payment Dates will remain unchanged (ie semi-annually on 14 March and 14 September).

2. Your rights in relation to this Reset Notice

Your receipt of this Reset Notice does not restrict your rights to sell your RPS on the market.

You have the right to do either of the following in relation to the first Reset Date:

- Do nothing, in which case you are taken to accept the reset terms detailed in section 1 of this notice; or
- Complete the enclosed Holder Exchange Notice, requesting an Exchange of your RPS, and send it to be received by the Registry on or before Wednesday 26 July 2006.

If you choose this option, Suncorp has the right to choose whether to Exchange your RPS into Ordinary Shares of Suncorp (based on the formula set out in clause (gg) of terms and conditions of the RPS contained in the Information Memorandum), to Exchange your RPS for cash of \$100 per RPS, or to arrange to have a third party purchase your RPS for \$100 in cash per RPS. Once you have delivered a Holder Exchange Notice, it cannot be withdrawn or changed and you must not sell your RPS from the date of that notice.

3. Timetable for action in relation to this Reset Notice

26 July 2006	If you wish to Exchange your RPS, you must have sent a validly completed Holder Exchange Request to the Registry to be received by this date.
16 August 2006	If you sent a validly completed Holder Exchange Notice to the Registry, Suncorp must inform you, by this date, whether it will Exchange your RPS for Ordinary Shares in Suncorp, Exchange your RPS for cash, or arrange for a third party to purchase your RPS for cash.
14 September 2006	This is the first Reset Date. Your RPS will either: <ul style="list-style-type: none"> • continue to be a listed security on the ASX (if you do nothing); or, if you wish to exchange: • be Exchanged by Suncorp for cash; • be Exchanged by Suncorp for Ordinary Shares of Suncorp; or • be transferred to a third party in exchange for cash.

Words and expressions defined in, and for the purposes of the terms and conditions for RPS, have the same meaning where used in this Reset Notice.

Illustration of different five year swap rates at 14 September 2006

Five year swap rate	5.400%	5.600%	5.800%	6.000%	6.200%	6.400%	6.600%	6.800%
Dividend Rate per annum	4.480%	4.620%	4.760%	4.900%	5.040%	5.180%	5.320%	5.460%
Franking credit entitlement	1.920%	1.980%	2.040%	2.100%	2.160%	2.220%	2.280%	2.340%

The five year swap rate will not be known until 14 September 2006 and may be higher or lower than the range illustrated in the above table.