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Companies Announcement Office
Australian Stock Exchange

Via Facsimile: 1900 999 279



HAMILTON ISLAND
Great Barrier Reef Australia

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CASH OFFER FOR HAMILTON ISLAND LIMITED

The Board of Hamilton Island Limited ("Hamilton Island") today announced that it had agreed with General Property Trust ("GPT") and Voyages Hotels & Resorts Pty Limited ("Voyages") to propose a Scheme of Arrangement ("Scheme") for the acquisition of 100% of the issued shares of Hamilton Island.

Under the Scheme, Hamilton Island shareholders will receive \$2.30 per share plus any movement in net tangible assets from 30 June 2002 to completion, which is expected in early July 2003. The movement in net tangible assets will be determined by PricewaterhouseCoopers pursuant to a completion review under the terms of the agreement reached between Voyages and Hamilton Island and is currently expected to be a positive adjustment in the order of \$0.09 per share. A sensitivity of the consideration likely to be received by shareholders to the profits of Hamilton Island is contained in Attachment I. In the event that the Scheme is successful, no further dividends will be paid by Hamilton Island.

In addition, Hamilton Island shareholders will receive a security entitling them to a further payment in the event that a development largely consistent with that described in the current Environmental Impact Statement is undertaken on Dent Island, or a sale of Dent Island occurs, within 5 years of acquisition. Full details of the Dent Island security will be set out in the Scheme documentation, however a summary of the key details is set out in Attachment II.

The Directors of Hamilton Island believe the Scheme is in the best interests of shareholders and subject to the findings of the Independent Expert, intend to recommend that shareholders accept the offer in the absence of a superior offer.

The Scheme will be subject to shareholders' approval at a meeting expected to be held in June.

Michael Butler, Chairman of Hamilton Island, said "The announcement of the Scheme represents the conclusion of the strategic review commenced in June 2002 and

represents the culmination of an exhaustive global search for a proposal to maximise value for Hamilton Island shareholders."

"Given the relatively small market capitalisation of Hamilton Island and the low liquidity levels, we do not believe the interests of Hamilton Island shareholders can be optimised in the current listed company structure."

"In our view, the Scheme provides Hamilton Island shareholders with the best opportunity to realise the value of their shares at a 20% premium to the Hamilton Island 30 day volume weighted average share price of \$1.99 prior to announcement of the strategic review, and that which could be realised in the event that this proposal is unsuccessful."

Mr Butler went on to say, "Voyages and GPT also provides an excellent fit for staff and employees of Hamilton Island given its existing ownership of Ayers Rock Resort and other hotels."

Further details as to the Scheme terms and conditions and indicative timetable are set out in Attachment III.

Scheme documents, including an independent expert's report to be prepared by Deloitte Corporate Finance Pty Limited and detailed tax advice, are expected to be sent out to Hamilton Island shareholders in May, with completion anticipated in July 2003.

For further queries, please contact:

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JPMorgan

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Regards



Gavin Herholdt
Company Secretary

ATTACHMENT I**VALUE SENSITIVITY**

The following table provides an analysis of the proposed consideration payable to Hamilton Island shareholders assuming a range of profit outcomes for Hamilton Island for the period 1 January 2003 through to expected completion. It should be noted that the profits contained in this table are for illustrative purposes only and do not constitute profit forecasts as the ability of Hamilton Island to achieve profits in the ranges set out in the table is subject to a number of factors and uncertainties.

HAM Profits 1 Jan 2003 to Completion \$m	Value Per HAM Share \$
1.9	\$2.36
2.3	\$2.37
2.8	\$2.38
3.2	\$2.39
3.7	\$2.40
4.1	\$2.41

ATTACHMENT II

DENT ISLAND SECURITY – KEY TERMS AND CONDITIONS

The Dent Island security is an unsecured note. Subject to the satisfaction of certain conditions (see below), the unsecured note will be redeemable and Voyages / GPT will pay an amount equal to the lesser of:

- (a) 75 – 100% of \$13.5 million (depending on the level of residential development undertaken); or
- (b) the value of Dent Island as determined by an Independent Valuer,

which will be distributed to shareholders in proportion to the number of shares held at the record date under the Scheme.

The Directors are unable to attribute a specific value to the security at this point. The Independent Valuer will determine the value of the Dent Island project using a discounted cash flow analysis assuming a discount rate of 25% pa. The cash flows for the project will include any incremental profits to Hamilton Island.

In the event that Voyages / GPT sells an interest in Dent Island to a third party, the value of Dent Island as determined by the Independent Valuer will include any proceeds from that transaction.

Assuming the conditions are satisfied, the amount will become payable 5 years after commencement of construction on the Island. If the conditions are not satisfied, the unsecured notes will lapse and no amount will be payable to shareholders.

In the event that Voyages / GPT sells Dent Island to a third party within 5 years after implementation of the Scheme, the unsecured notes will be redeemable and Voyages / GPT will pay to Hamilton Island shareholders on a proportional basis the lesser of the net proceeds of the sale after incorporating any costs incurred by Voyages / GPT in relation to the development and \$13.5 million. The amount will become payable 5 years after the sale.

The unsecured notes will not be listed on the ASX but are transferable subject to compliance by the transferor with any relevant securities law. Perpetual Trustee Company Limited will be the Trustee for the unsecured notes.

Key conditions

1. A lease over certain parts of Dent Island is granted within 12 months of implementation of the Scheme.
2. Construction on Dent Island commences on or before 3 April 2008. The commencement of construction of Dent Island will only occur if Voyages /GPT consider the development to be commercially attractive.
3. The construction on Dent Island includes:
 - an 18 hole resort / championship golf course and associated club house; and
 - a residential development of a certain size.The value of the payment will be pro-rated based on the level of residential development undertaken.

ATTACHMENT III

TERMS AND CONDITIONS AND INDICATIVE TIMETABLE

Terms

The exclusivity period granted to Voyages /GPT will be extended for a minimum of 3 months.

As part of the agreement, Hamilton Island has agreed to pay a break fee of \$1 million to Voyages / GPT in the following circumstances:

- The Scheme is not approved by the Court or Hamilton Island shareholders;
- A competing proposal is made during the terms of the agreement and is successfully completed;
- The Directors withdraw or modify their recommendation in a manner adverse to Voyages / GPT; or
- Hamilton Island is in breach of their obligations under the terms of the agreement with Voyages / GPT.

Conditions

- Approval of Hamilton Island shareholders;
- Approval by the Supreme Court of Queensland of the Scheme;
- No material adverse change;
- The Scheme is recommended by a majority of Hamilton Island directors; and
- Various other conditions including consents and approvals by regulatory authorities in relation to assets and activities of Hamilton Island and its subsidiaries

Indicative Timetable

Scheme documentation dispatched to shareholders	8 May 2003
Hamilton Island shareholders' meeting	10 June 2003
Court hearing to approve Scheme	16 June 2003
Completion and payment of proceeds to Hamilton Island shareholders	1 July 2003

These dates are indicative only and subject to change.