

1 September 2003



HAMILTON ISLAND

Great Barrier Reef Australia

Companies Announcement Office
Australian Stock Exchange

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IMPLEMENTATION AGREEMENT WITH 21ST CENTURY RESORTS AND RESULT OF VOYAGES / GPT SCHEME MEETING HELD TODAY

On Friday 29 August 2003, the Board of Hamilton Island Limited ("Hamilton Island") announced that it had received a new higher offer from 21st Century Resorts Pty Limited ("21st Century Resorts"), supported by Reline Investments Pty Ltd ("Reline"), to acquire 100% of the holdings of Hamilton Island shares at \$2.95 cash per share by way of scheme of arrangement ("Scheme").

The Directors are pleased to advise that on 31 August 2003 they entered into an Implementation Agreement with 21st Century Resorts and Reline in relation to the proposed acquisition.

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

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

Scheme documents setting out the details of the transaction, an Independent Expert's report to be prepared by Deloitte Corporate Finance Pty Limited and the notice of Extraordinary General Meeting and Scheme Meeting to consider the proposal are expected to be dispatched on or around 3 October with completion anticipated in late November 2003.

Shareholders will note that it is an explicit condition of the proposed 21st Century Resorts scheme that the meeting convened for Monday 1st September 2003 should proceed and that the resolution proposing the Voyages / GPT scheme is defeated.

The Independent Directors have consulted with representatives of BT Funds Management who appointed a corporate representative and attended this meeting and voted against the Voyages / GPT scheme resolution in light of the execution of the Implementation Agreement with 21st Century Resorts at the new price of \$2.95.

The Independent Directors and representatives of BT Funds Management both took into account the announcement released by Voyages / GPT this morning prior to making their recommendations and decision by shareholders at the meeting.

The Board of Hamilton Island confirms that at the conclusion of the Scheme Meeting held today to vote on the proposal by Voyages / GPT to acquire 100% of the shares in Hamilton Island for \$2.83 cash per share, shareholders had voted against the Voyages / GPT proposal.

This satisfies the conditions referred to above in relation to the new higher offer of \$2.95 cash per share proposed by 21st Century Resorts and Reline thus allowing the higher offer to now proceed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Herholdt', enclosed within a large, loopy oval scribble.

Gavin Herholdt
Company Secretary

TERMS AND CONDITIONS AND INDICATIVE TIMETABLE

21st Century Resorts is offering Hamilton Island shareholders \$2.95 cash per share, payable on completion of the following terms and conditions:

Terms

As part of the agreement, Hamilton Island has agreed to pay a break fee to 21st Century Resorts of \$925,000 in the following circumstances:

- Hamilton Island breaches its obligations under the Implementation Agreement with 21st Century Resorts and Reline
- 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 21st Century Resorts
- There is a breach of procedural conditions similar to those referred to in clause 13(a)(iv) of the implementation agreement with GPT Management Limited and Voyages Hotels & Resorts contained in the Scheme Booklet that has already been sent to shareholders

Key conditions

- Hamilton Island shareholders reject the GPT and Voyages proposal at the Scheme Meeting to be held on 1 September 2003;
- Approval of the new 21st Century Resorts Scheme by Hamilton Island shareholders;
- Approval by the Supreme Court of Queensland of the 21st Century Resorts Scheme;
- Hamilton Island shareholder approval of transaction finance;
- Formal finance documentation for novation of \$50m being part of the existing HAM facilities is executed;
- Conditions precedent to drawdown under the finance documentation satisfied;
- No material adverse change;
- 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	3 October 2003
Hamilton Island shareholders' meeting	3 November 2003
Court hearing to approve Scheme	13 November 2003
Completion and payment of proceeds to Hamilton Island shareholders	27 November 2003

These dates are indicative only and subject to change