



STOCK EXCHANGE ANNOUNCEMENT

ROWALLON 14 FLOWS GAS ON TEST

18 October 2005

The Rowallon 14 coal seam gas exploration core-hole on the Roma Shelf has flowed dry gas at a rate of approximately 66,000 cubic feet per day on test.

Rowallon 14 is the first of a 3 exploration core-hole program to appraise the Walloon Coal Measures on the Roma Shelf.

DST 2 (164m – 180m) flowed dry gas at a rate of approximately 65 Mcf/d (25 psi surface pressure on a 1/4" choke) and DST 3 (218 – 233m) flowed dry gas at rate of 66 Mcf/d (30 psi surface pressure on a 1/4" choke). These results are encouraging as they indicate the presence of gas saturated coals with good permeability.

The next core-hole in the program will be Rowallon 3.

ATP 336P Interests:

Santos QNT Pty Ltd - Operator 85%

Sunshine Gas Limited (SHG) 15%

SUNSHINE GAS LIMITED - OVERVIEW

Sunshine Gas listed on ASX 3 July 2002 with a conventional gas, oil and coal seam gas focus initially on Queensland. More recently, the UK Continental Shelf has been added as a focus area.

The Company has interests in 16 Petroleum Leases (PL's) and 13 Authorities To Prospect for Petroleum (ATP's) in Queensland – including awarded permits and applications - covering an area of over 37,000 km². In the UK Continental Shelf, the Company has a 50% interest in 9 blocks that are highly prospective for oil.

The Company has conventional gas / liquids reserves & production from the Roma Shelf as well as several projects in various stages of development. These projects are expected to lead to strong earnings growth in the future.

For additional information about the Company, please visit www.sunshinegas.com.au

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