



8 May 2006

**Company Announcements Office
Australian Stock Exchange**

MARKET ANNOUNCEMENT

COXON CREEK 4 CASED AND COMPLETED

Sunshine Gas Limited's wholly owned subsidiary Interstate Pipelines Pty Ltd advises that the Coxon Creek 4 Coal Seam Gas (CSG) pilot well in ATP 336P Surat Basin Queensland, has been cased and completed and will now await production testing. As previously reported the well flowed gas at a maximum rate of 1.074 million cubic feet per day (MMcfd) on open hole flow test (OFT) at a depth of 299 metres. Mitchell Drilling rig 151 has been released and is now moving to Coxon Creek 5, the final well in the current pilot program.

Participants in ATP 336P and Coxon Creek 4 are:

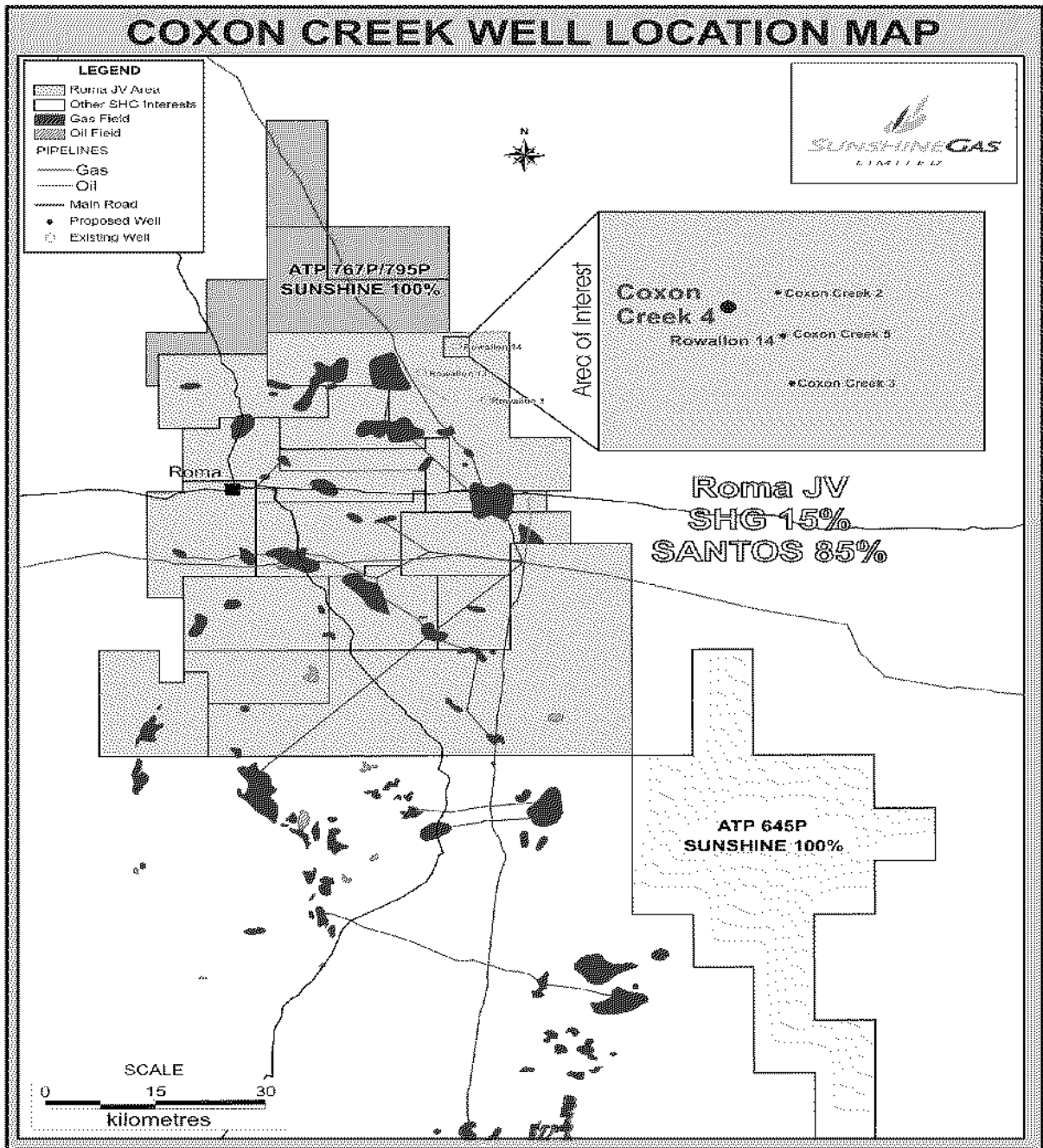
Interstate Pipelines Pty Ltd (A wholly owned subsidiary of Sunshine Gas Ltd):	15%
Santos Group (Operator)	85%

Sunshine Gas Limited

600 44 000 983 887

Level 15, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 Tel: 617 3221 4400 Fax: 617 3221 4477
PO Box 7000, Waterfront Place, Brisbane QLD 4000

sunshinegas@sunshinegas.com.au www.sunshinegas.com.au



Sunshine Gas Limited
 400 44 606 983 883

Level 15, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 Tel: 617 3221 4400 Fax: 617 3221 4477
 PO Box 7808, Waterfront Place, Brisbane QLD 4001
sunshinegas@sunshinegas.com.au www.sunshinegas.com.au



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 covering an area of ~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

A handwritten signature in black ink, appearing to read "Chris Blamey".

Chris Blamey

Company Secretary
SUNSHINE GAS LIMITED
Telephone: +61 7 3221 4400

Sunshine Gas Limited

ABN 44 606 983 887

*Level 15, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 Tel: 617 3221 4400 Fax: 617 3221 4477
PO Box 7000, Waterfront Place, Brisbane QLD 4000*

sunshinegas@sunshinegas.com.au www.sunshinegas.com.au