



4 April 2006

The Manager
Company Announcements,
Australian Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

Convertible Preference Shares – Amended Conversion Formula

We refer to our letter lodged yesterday (3 April 2006) with the ASX which advised the Conversion Formula is 1.1180 upon conversion of Convertible Preference Shares (“CPS”) maturing 31 March 2006. This Conversion Formula was based on the volume weighted average price over the 30 trading days before the Conversion Date

It has now come to our attention that on 4 June 2004, we lodged a letter with ASX to clarify the definition of “VWAP” in the calculation of the Conversion Formula of the CPS. The letter states “In order to prevent the possibility of any confusion to holders of CPS, the words “**the arithmetic average**” are added to the start to read: VWAP means *the arithmetic average of the daily Volume Weighted Average Price, subject to any adjustments required, of Southern Cross Ordinary Shares sold on ASX during the period of 30 days before the Conversion Date.*

Using the arithmetic average calculations, the Conversion Formula is 1.1209. Every one (1) CPS will now be converted to 1.1209 ordinary shares (ASX Code: SBC). The difference in the Conversion Formula will result in an issue of only an additional 19,824 ordinary shares in total.

The arrangements advised yesterday will not change: notification to Convertible Preference Share holders of the number of ordinary shares issued to them on conversion will be mailed on 5 April 2006 and ordinary shares issued on conversion will begin trading on ASX on 6 April 2006.

Yours sincerely

Eddie Chia
Company Secretary