



Suncorp-Metway Ltd

ABN 66 010 831 722

All Registry communications to:

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7 August 2006

Reset Preference Share Exchange Advice

Dear Shareholder

You recently lodged a Holder Exchange Notice in relation to your holding of Reset Preference Shares (RPS). The purpose of this letter is to notify you of Suncorp's decision as to the Exchange settlement method.

On the Reset Date 14 September 2006, RPS that are the subject of a validly completed Holder Exchange Notice will be exchanged for the Exchange Number of Ordinary Shares.

The Exchange Number of Ordinary Shares will be determined in accordance with the terms and conditions of the RPS.

- The Exchange Number is calculated by dividing the Exchange Consideration by the volume weighted average price (VWAP).
- The Exchange Consideration is the issue price of \$100 per RPS multiplied by the number of RPS being exchanged.
- The VWAP is 97.5% of the average of the daily volume weighted average sale price of Suncorp ordinary shares over the 20 trading day period prior to the Reset Date. The ordinary shares will be quoted cum dividend during this period. However, you will not be entitled to receive the dividend on the ordinary shares to be issued to you by Suncorp. Accordingly, the VWAP will be reduced for the dividend.

The full terms and conditions of the RPS can be found in the Information Memorandum on Suncorp's website www.suncorp.com.au under Share Information, or a copy of the Information Memorandum may be obtained by contacting the share registry on 1300 882 012.

Please find enclosed a transaction confirmation advice showing the movement of the securities you nominated to exchange. These nominated securities have been moved into a temporary holding pending exchange into Suncorp Ordinary Fully Paid Shares on 14 September 2006.

Yours sincerely

John Mulcahy
Chief Executive Officer