

Investment Highlights



ENVESTRA

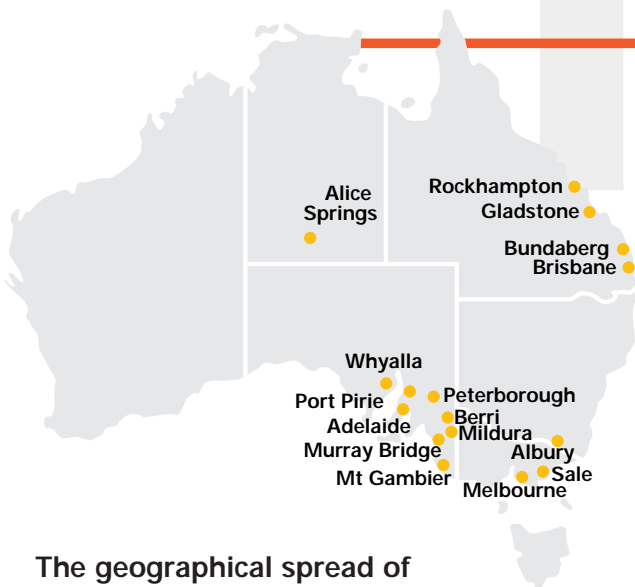
DELIVERING NATURAL GAS TO MORE AUSTRALIANS THAN ANY OTHER COMPANY

Envestra is the only Australian company involved solely in the distribution of natural gas. There are limited opportunities to invest directly in the Australian natural gas infrastructure sector - Envestra provides one of those opportunities.

Envestra's natural gas distribution networks include over 16,800 kms of pipes and associated distribution infrastructure located in every mainland State, except Western Australia, delivering around 100 PJ of natural gas to approximately 835,000 consumers each year.

Envestra was formed in 1997, acquiring Boral's natural gas distribution networks in South Australia, Queensland and the Northern Territory. Since that time, Envestra has expanded its Networks through the acquisition of the Palm Valley transmission pipeline in the Northern Territory and the construction of new transmission and distribution infrastructure in other areas. Today, Envestra delivers natural gas to more consumers in Australia than any other company.

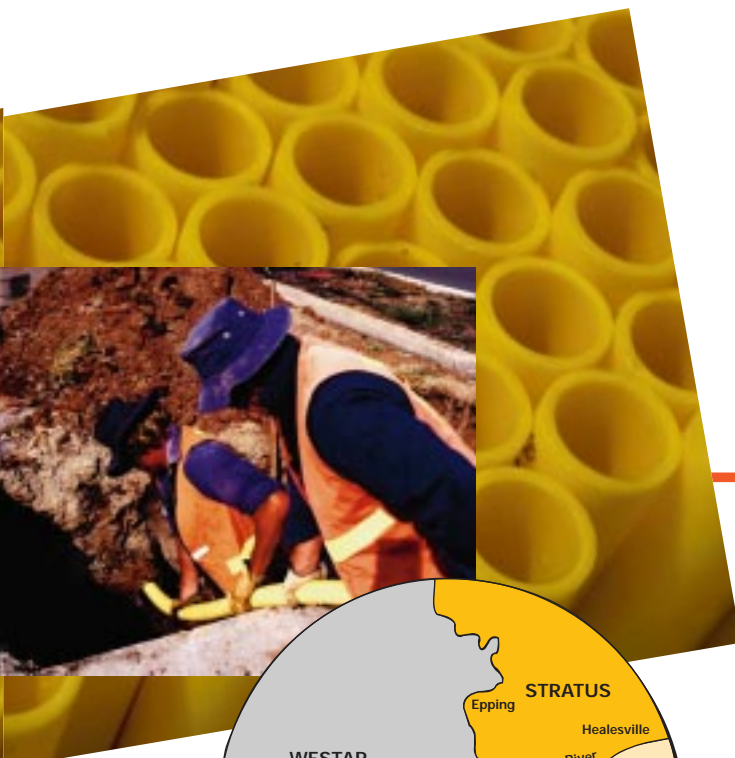
Envestra will continue to grow via the construction of new distribution networks in metropolitan and regional areas as new housing subdivisions are developed. Envestra expects to add approximately 18,000 new consumers this year.



The geographical spread of Envestra's business assists in the diversification of risk.



	ENVESTRA BEFORE STRATUS NETWORKS	STRATUS NETWORKS	ENVESTRA NOW
Length of networks (km)	8,860	7,990	16,850
Transmission pipelines (km)	425	215	640
Number of customers	404,500	430,500	835,000
Volume of gas (PJ)	45	56	101

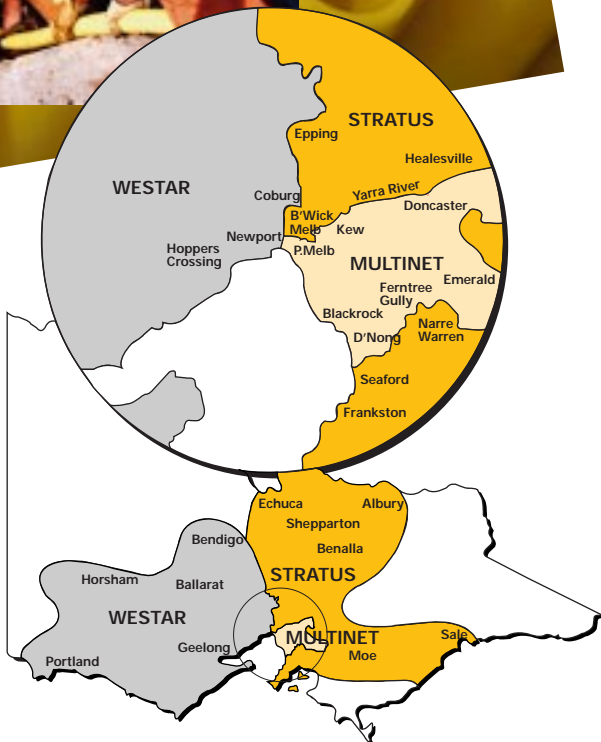


In March 1999, Envestra acquired the Stratus natural gas distribution business formerly owned and operated by the Victorian Government. **This purchase effectively doubled the size of Envestra's business.** Stratus currently represents 55% of Envestra's volume of gas throughput and 44% in terms of Forecast revenue for the year ended 30 June 2000.

Stratus gives Envestra:

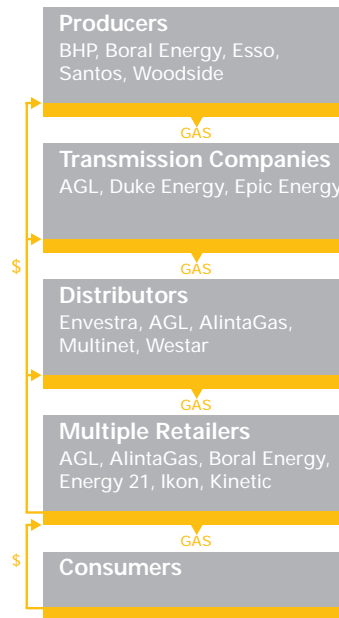
- a strong position in a growing market;
- a solid, well maintained network. 60% of the Stratus Network has been laid within the past 20 years (it has the lowest average age of the Victorian natural gas distribution networks); and
- an increase in size of its operations, offering economies of scale.

Stratus supplies Melbourne's central business district, northern and north eastern suburbs, the outer south eastern suburbs, including the Mornington Peninsula, Gippsland, north-central and north-eastern Victoria and part of southern New South Wales, including Albury.





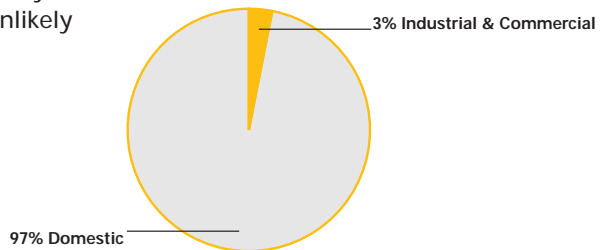
Structure of the Australian Natural Gas Industry



Envestra’s business is focused purely on utility infrastructure assets which have minimal exposure to competition in the natural gas distribution sector. Access Arrangements, which determine the basis of Envestra’s revenues, are approved on a State by State basis at up to five year intervals by independent Regulators. These Access Arrangements provide a high degree of stability for Envestra’s operating cash flows.

Envestra’s revenue is predictable because domestic consumers - which make up approximately 97% of the Company’s consumer base - have relatively stable natural gas usage patterns and are unlikely to change their energy source.

Percentage of Consumers



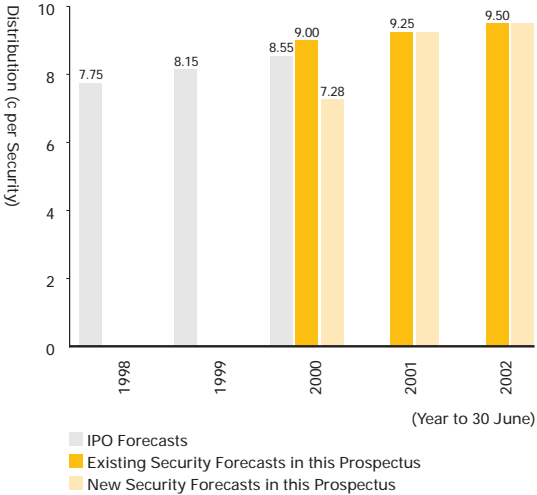
Envestra enjoys a strong relationship with Boral, a major Security Holder. Operation and management of Envestra’s networks is contracted out to Boral Energy Asset Management Limited (“BEAM”). Envestra’s South Australian, Queensland and Northern Territory revenues through to 2001 are underpinned by a Haulage Agreement with Boral Energy. Envestra and Boral are also party to a Relationship Agreement which defines the basis on which the companies will work together in relation to future activities including acquisitions. Following the capital raising, CKI and Boral will have equal interests in Envestra of 19.97%

Envestra has met the forecast distributions that it made in its 1997 initial public offering prospectus.

YEAR TO 30 JUNE	SEPTEMBER	1998 MARCH	SEPTEMBER	1999 MARCH
Forecast distributions (cps)	4.65	3.10	4.89	3.26
Distributions paid (cps)	4.65	3.10	4.89	3.26



Stratus Has Increased Envestra's Forecast Distributions



Based on the Issue Price of \$0.88, the Forecast cash yields for Investors on existing Securities are 10.2% for the year ended 30 June 2000, 10.5% for 2001 and 10.8% for 2002.