



ASX ANNOUNCEMENT

MACFARMS LLC dba MACFARMS OF HAWAII

12 February 2015

MacFarms LLC dba MacFarms of Hawaii (**MacFarms**) subsidiary of Buderim Ginger Limited (**BUG**) owns and operates the company's macadamia orchard and processing facilities in Hawaii.

MacFarms processed macadamia nuts grown in its own orchard as well as for a third party, Royal Hawaiian Orchards LP (**RHO**), under a 2013 nut processing agreement.

RHO has commenced formal legal proceedings against MacFarms on various grounds asserting that insufficient kernel in the amount of 207,340 pounds was received from processing Nut-In-Shell delivered and is claiming financial compensation.

MacFarms strongly denies liability, believes the claims are without merit and intends to vigorously defend the proceedings.

ENDS