

This document is the second supplementary bidder's statement dated 13 November 2009 given under section 643 of the Corporations Act ("**Second Supplementary Bidder's Statement**") to the Bidder's Statement issued by The Maryborough Sugar Factory Limited ABN 11 009 658 708 and lodged with the Australian Securities and Investments Commission ("**ASIC**") on 7 October 2009 ("**Original Bidder's Statement**"), in relation to the offer by The Maryborough Sugar Factory Limited ABN 11 009 658 708 ("**Offer**") for all of the shares in Tully Sugar Limited ABN 92 011 030 256.

A first supplementary bidder's statement ("**First Supplement**") was lodged with ASIC on 21 October 2009.

This Second Supplementary Bidder's Statement supplements, and is to be read together with, the replacement bidder's statement dated 21 October 2009 ("**Bidder's Statement**"). Changes to the Original Bidder's Statement as supplemented by the First Supplement were incorporated into the Bidder's Statement.

SECOND SUPPLEMENTARY BIDDER'S STATEMENT dated 13 November 2009

in respect of the offer by

The Maryborough Sugar Factory Limited
ABN 11 009 658 708



for all of the shares in

Tully Sugar Limited
ABN 92 011 030 256

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this Second Supplementary Bidder's Statement. Additional terms used in this Second Supplementary Bidder's Statement are defined in section 4 of this Second Supplementary Bidder's Statement. This Second Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement.

A copy of this Second Supplementary Bidder's Statement was lodged with ASIC on 13 November 2009. Neither ASIC nor any of its officers takes any responsibility for the contents of this Second Supplementary Bidder's Statement.

Chairman's letter

13 November 2009

Dear Tully Shareholder

We are pleased to be writing to you once again in connection with our Offer to acquire your Tully Shares to effect a merger of Tully with MSF.

In this Second Supplementary Bidder's Statement, MSF supplements the Bidder's Statement to take into account:

- that, as announced to ASX on 10 November 2009, MSF has successfully completed a placement of 6,500,000 MSF Shares to sophisticated, experienced and professional investors at an issue price of \$2.00 per share, raising \$13 million ("**Placement**");
- that, as announced to ASX on 10 November 2009, MSF is currently conducting a non-underwritten share purchase plan under which existing MSF Shareholders have the opportunity to subscribe for new MSF Shares at an issue price of \$2.00 per share, to raise up to a maximum of \$5 million ("**Share Purchase Plan**"); and
- certain changes to the Bidder's Statement arising from the Placement and the Share Purchase Plan.

MSF will use the funds received from the Placement and the Share Purchase Plan to help fund further growth opportunities and to strengthen MSF's balance sheet.

This capital raising illustrates MSF's capability to access equity capital quickly, efficiently and in a cost effective manner to pursue value creating opportunities. The discount to the prevailing market price for the new shares is consistent and competitive with new equity issuances to non-strategic investors in a volatile market. We did welcome a number of new investors as well as the continued support from existing shareholders and believe this capability would bring tangible benefits to a merged MSF and Tully entity going forward.

We also wish to update you on how MSF Shares have been trading on the ASX since the date of the Bidder's Statement and what that means for the value of the Offer.

Yours sincerely



James Jackson
Chairman

1 Placement and Share Purchase Plan

1.1 Overview

On 10 November 2009, MSF announced that it had successfully completed the Placement of 6.5 million new MSF Shares to sophisticated, experienced and professional investors, at an issue price of \$2.00 per share, raising \$13 million. The new MSF Shares will be issued on or about 16 November 2009.

All of the 6.5 million new MSF Shares were issued to sophisticated, experienced and professional investors, including MSF's largest shareholder, Guinness Peat Group plc which took up 1 million new MSF Shares.

\$242,000 of the funds raised under the Placement has been applied towards the cost of conducting the Placement. MSF intends to apply the remainder of the funds raised towards helping to fund further growth opportunities and to strengthen MSF's balance sheet.

As announced to the ASX, in tandem with the Placement, MSF is currently conducting a Share Purchase Plan. Under the Share Purchase Plan, each MSF Shareholder who was a registered holder of MSF Shares at 5.00pm (Sydney time) on 11 November 2009 with an Australian or New Zealand registered address will have the opportunity to contribute up to \$15,000 in applying for MSF Shares at an issue price of \$2.00 per share (which is the same issue price as shares issued to sophisticated, experienced and professional investors under the Placement).

The Share Purchase Plan will be capped at \$5 million in total funds raised, representing a maximum issue of 2.5 million new MSF Shares.

MSF intends to apply the funds raised under the Share Purchase Plan towards helping to fund further growth opportunities and to strengthen MSF's balance sheet.

1.2 Rationale for the Placement and the Share Purchase Plan

The MSF Directors decided to conduct an equity capital raising to help fund further growth opportunities and to strengthen MSF's balance sheet.

The Placement was an attractive means to raise such funds because it could be conducted quickly (without the need for shareholder approval) and at a relatively low cost.

The MSF directors decided to conduct the Share Purchase Plan in tandem with the Placement to provide the opportunity for all of MSF's existing shareholders to participate in the capital raising in acknowledgment of their long term support of MSF, and to enable those shareholders to mitigate the dilutive impact of the Placement on their holdings. Again, in reliance on existing ASIC class order relief and a waiver from ASX (discussed below), MSF is able to conduct the Share Purchase Plan relatively quickly and at a relatively low cost.

1.3 ASIC and ASX relief to conduct the Placement and Share Purchase Plan

The number of new MSF Shares issued pursuant to the Placement was less than 15% of the ordinary shares of MSF on issue and accordingly, no shareholder approval of the Placement was required under the ASX Listing Rules.

MSF is relying on Australian Securities and Investments Commission Class Order [09/425] and a waiver received from ASX Limited from Listing Rules 7.1 and 10.11 to conduct the Share Purchase Plan.

2 Important developments

2.1 Effect of the Placement and the Share Purchase Plan on the ownership of the Merged Group

Prior to the issue of the new shares under the Placement, MSF had 46,493,419 fully paid ordinary shares on issue.

As a result of the Placement, 6.5 million additional MSF Shares will be issued on or about 16 November 2009, from which date MSF will have 52,993,419 fully paid ordinary shares on issue (including shares issued under the Placement). Under the Share Purchase Plan, between zero and 2.5 million additional MSF Shares will be issued in mid-December. Assuming the maximum amount of funds are raised under the Share Purchase Plan, and that there are no further issuances of MSF Shares, MSF will have 55,493,419 fully paid ordinary shares on issue (including shares issued under the Placement and the Share Purchase Plan) at that time. Under the Offer, a further 40,168,700 new MSF Shares would be issued to Tully Shareholders if acceptances were received for all Tully Shares, taking the maximum number of MSF Shares on issue to 95,662,119.

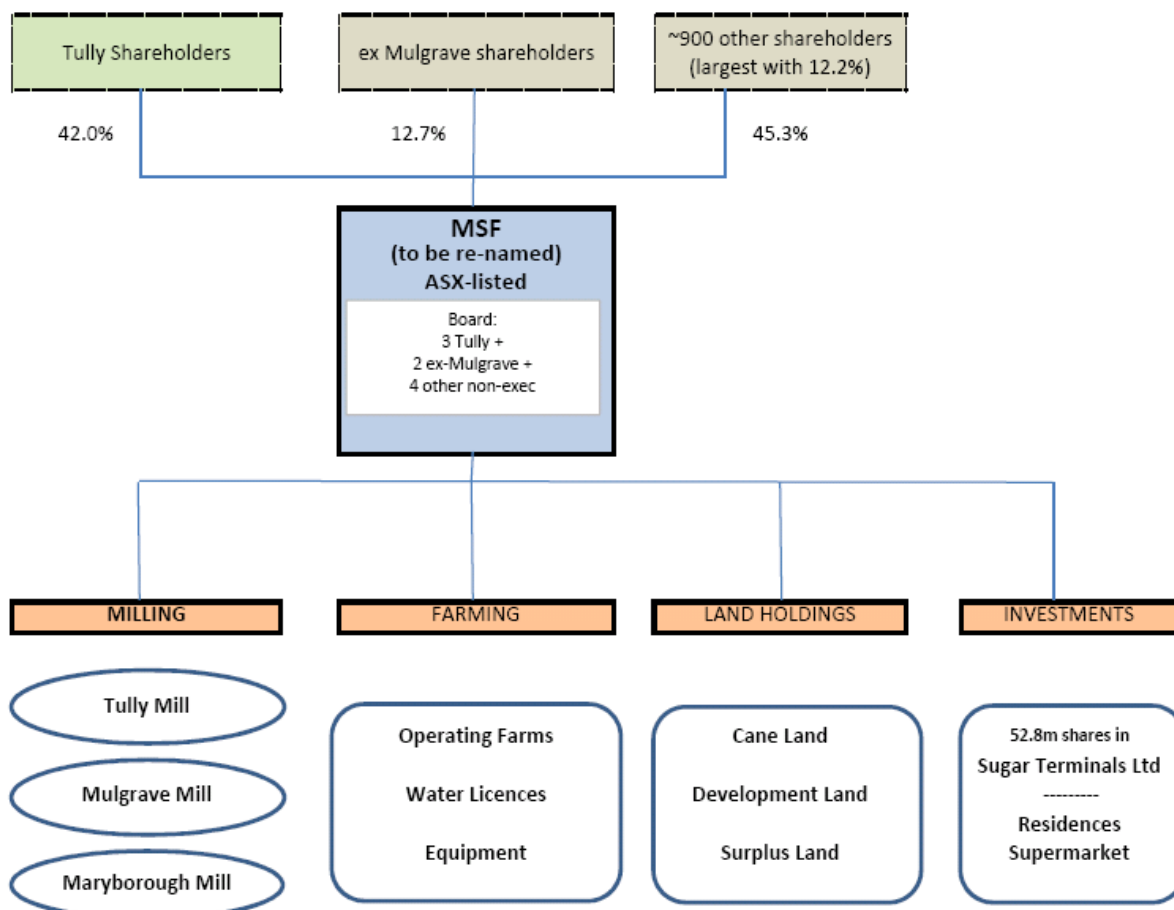
As a result of the Placement and assuming the maximum number of MSF Shares are issued under the Share Purchase Plan, Tully Shareholders would own between approximately 42% and 43% of the Merged Group.*

In addition, the market capitalisation of MSF would be approximately \$213 million.^

Accordingly, the structure of the Merged Group set out on page 4 of the Bidder's Statement, will change. The revised Merged Group structure would be as follows:

* Assumes MSF acquires 100% of the Tully Shares, the number of MSF Shares on issue does not materially change from the level immediately after the Placement and the Share Purchase Plan (excluding shares issued under the Offer), there are no material acquisitions or disposals of MSF Shares and the maximum number of MSF Shares are issued under the Share Purchase Plan.

^ Based on a share price of \$2.23 per MSF Share, which is the VWAP of MSF Shares traded on the ASX for the 20 trading days prior to the date of this Second Supplementary Bidder's Statement.



Note: In the above diagram, shareholding percentages are approximate and assume that MSF acquires 100% of Tully Shares, the number of MSF shares on issue does not materially change from the level immediately after the Placement and the Share Purchase Plan (excluding shares issued under the Offer), there are no material acquisitions or disposals of MSF Shares, and the maximum number of MSF Shares are issued under the Share Purchase Plan.

Further, the Bidder's Statement is amended as follows:

- (a) all references to the aggregate holding by Tully Shareholders of "approximately 46.4%" and "approximately 46%" of the Merged Group are deleted and replaced with "between approximately 42% and 43%";
- (b) on page 5 of the Bidder's Statement, delete "Tully Shareholders would own approximately 46.4% of the ASX-listed Merged Group and be by far the largest shareholder group", and replace it with "Tully shareholders would own between approximately 42% and 43% of the ASX-listed Merged Group";
- (c) on page 9 of the Bidder's Statement, in the right-hand column of the table demarcated "Shareholder representation", delete "Tully Shareholders will collectively comprise the largest shareholder group in the Merged Group, holding approximately 46%" and replace it with "Tully shareholders would own between approximately 42% and 43% of the ASX-listed Merged Group"; and
- (d) in section 10.2 of the Bidder's Statement, under the heading "Other regulatory matters", delete the reference to "23.04%" and replace it with "21.11%", being the updated approximate maximum shareholding of Guinness Peat Group Plc in MSF following the Placement and the Share Purchase Plan.

2.2 Offer value update

(a) Update on Offer value

As stated on page 15 of the Bidder's Statement, given that the Offer consideration comprises MSF Shares, the implied value of the Offer consideration will change as a consequence of changes in the market price of MSF Shares.

Based on a share price of \$2.23 per MSF Share, which is the VWAP of MSF Shares traded on the ASX for the 20 trading days prior to the date of this Second Supplementary Bidder's Statement, the implied value of MSF's Offer is \$28.99 per Tully Share (representing a total Offer value of \$89.6 million).

Based on a share price of \$2.33 per MSF Share, which is the VWAP of MSF Shares traded on the ASX from (and including) 7 October 2009 (being the date the Original Bidder's Statement was lodged with ASIC) to (and including) 6 November 2009 (being the last full trading day before the date MSF went into a trading halt prior to the announcement of the Placement and the Share Purchase Plan), the implied value of MSF's Offer was \$30.29 per Tully Share (representing a total Offer value of \$93.6 million).

Based on a share price of \$2.10 per MSF Share, which is the VWAP of MSF Shares traded on the ASX since 10 November 2009 (being the date of the announcement of the Placement and the Share Purchase Plan), the implied value of MSF's Offer is \$27.30 per Tully Share (representing a total Offer value of \$84.4 million).

(b) Update on trading of MSF Shares

The following information is provided in addition to the information provided in section 2.2 of the Bidder's Statement.

The closing price at which MSF Shares traded on 6 November 2009, being the last full trading day before the announcement of the Placement and Share Purchase Plan, was \$2.26. The closing price at which MSF Shares traded on the day before this Second Supplementary Bidder's Statement was lodged with ASIC on 13 November 2009 (being the closing price on ASX on 12 November 2009) was \$2.03.

The VWAP of MSF Shares traded on the ASX for the 20 trading days prior to the date of this Second Supplementary Bidder's Statement was \$2.23. In that period approximately 404,000 MSF Shares were traded.

2.3 Update on directors' interests in MSF Shares

The table on page 24 of the Bidder's Statement shows the interests of MSF Directors in MSF Shares as at 21 October 2009. Directors may or may not participate in the Share Purchase Plan. If Directors who are eligible to participate do participate, there will be a change in their shareholdings.

2.4 Profile of the Merged Group

As a result of the Placement, the pro-forma balance sheet of the Merged Group contained in section 5.2 of the Bidder's Statement will change. The key changes are as follows:

- (a) an increase to cash and cash equivalents of up to \$12,758,000, being the \$13,000,000 raised, net of \$242,000 of associated costs incurred; and
- (b) an increase to shareholders' funds of \$12,758,000.

Following the Placement, the Merged Group would have net pro-forma interest bearing debt of some \$30 million (previously approximately \$43 million as referred to on page 6 of the Bidder's Statement) compared to total assets of some \$315 million (excluding cash).

Set out below is an updated pro-forma balance sheet of the Merged Group as at 30 June 2009 prepared taking into account the Placement.

	MSFL 30/06/2009 \$000	Share Placement \$000	MFSL Adjusted \$000	Tully 30/04/2009 \$000	Adj 1 \$000	Scenario 1 Excluding benefit of tax consolidation 100% Tully purchased \$000	Adj 2 \$000	Scenario 1 Including benefit of tax consolidation 100% Tully purchased \$000	Scenario 2 Excluding benefit of tax consolidation 80% Tully purchased \$000
Current assets									
Cash and cash equivalents	4,690	12,758	17,448	2,082	(1,000)	18,530	-	18,530	18,530
Trade and other receivables	5,463	-	5,463	17,231	-	22,694	-	22,694	22,694
Derivative financial instruments	5,503	-	5,503	-	-	5,503	-	5,503	5,503
Inventories	13,725	-	13,725	5,713	-	19,438	-	19,438	19,438
Biological assets	3,435	-	3,435	1,875	-	5,310	-	5,310	5,310
Total current assets	32,816	12,758	45,574	26,901	(1,000)	71,475	-	71,475	71,475
Non-current assets									
Trade and other receivables	321	-	321	-	-	321	-	321	321
Inventories	1,093	-	1,093	-	-	1,093	-	1,093	1,093
Available-for-sale financial assets	36,365	-	36,365	5,506	-	41,871	-	41,871	41,871
Property, plant and equipment	113,366	-	113,366	121,374	(27,745)	206,995	-	206,995	206,995
Investment property	-	-	-	5,210	-	5,210	-	5,210	5,210
Deferred tax assets	3,535	-	3,535	-	-	3,535	-	3,535	3,535
Other non current assets	184	-	184	-	-	184	-	184	184
Intangible assets	3,408	-	3,408	4	-	3,412	-	3,412	3,412
Tot: Total non-current assets	158,272	-	158,272	132,094	(27,745)	262,621	-	262,621	262,621
Total assets	191,088	12,758	203,846	158,995	(28,745)	334,096	-	334,096	334,096
Current liabilities									
Trade and other payables	11,284	-	11,284	11,093	-	22,377	-	22,377	22,377
Interest bearing liabilities	14,282	-	14,282	132	-	14,414	-	14,414	14,414
Derivative financial instruments	22,187	-	22,187	-	-	22,187	-	22,187	22,187
Provisions	2,023	-	2,023	1,325	-	3,348	-	3,348	3,348
Total current liabilities	49,776	-	49,776	12,550	-	62,326	-	62,326	62,326
Non-current liabilities									
Trade and other payables	2,413	-	2,413	-	-	2,413	-	2,413	2,413
Interest bearing liabilities	33,769	-	33,769	849	-	34,618	-	34,618	34,618
Derivative financial instruments	9,512	-	9,512	8,956	-	18,468	-	18,468	18,468
Deferred income/grants	-	-	-	1,726	-	1,726	-	1,726	1,726
Deferred tax liabilities	-	-	-	20,262	(8,323)	11,939	(17,606)	(5,667)	11,939
Superfund liability	-	-	-	2,068	-	2,068	-	2,068	2,068
Provisions/other	280	-	280	2,783	-	3,063	-	3,063	3,063
Total non-current liabilities	45,974	-	45,974	36,644	(8,323)	74,295	(17,606)	56,689	74,295
Equity									
Ordinary equity	77,922	12,758	90,680	31	90,349	181,060	-	181,060	181,060
Reserves	1,809	-	1,809	59,128	(59,128)	1,809	-	1,809	1,809
Retained earnings	15,607	-	15,607	50,642	(51,642)	14,607	17,606	32,213	14,607
Minority interest	-	-	-	-	-	-	-	-	-
Shareholders funds	95,338	12,758	108,096	109,801	(20,421)	197,476	17,606	215,082	197,476
Total liabilities and equity	191,088	12,758	203,846	158,995	(28,745)	334,096	-	334,096	334,096

The basis of preparation of the pro-forma balance sheet was described in the Bidder's Statement dated 21 October 2009.

The pro-forma balance sheet has been amended to include only the effect of the issue of new equity under the Placement.

The “Share Placement” column above shows additional equity and cash assets of \$12,758,000 being the \$13 million raised, net of \$242,000 of associated costs incurred.

The Share Purchase Plan has not been included on the basis that the amount of new MSF Shares to be issued is currently uncertain. MSF has announced that up to 2.5 million new shares will be issued under the Share Purchase Plan at \$2.00 per share. The ordinary equity and cash assets will increase by the amount of new equity issued.

3 Update to ASX announcements made by MSF

Since the date of the Bidder’s Statement (being 21 October 2009), MSF has made the following announcements to the ASX and Appendix 3 of the Bidder’s Statement is updated accordingly.

The content of these announcements are available via the ASX website (www.asx.com.au).

Date	Price sensitive	Announcement
21/10/2009	Yes	MSF Tully Notice of Supplementary Bidder’s Statement
21/10/2009	No	MSF Tully Unmarked Replacement Bidder’s Statement
21/10/2009	No	MSF Tully marked Replacement Bidder’s Statement
22/10/2009	Yes	Statement re Media Report
23/10/2009	No	Statement Re Media Release by Tully Sugar
28/10/2009	No	MSF Takeover Offer for Tully - Despatch of Bidder’s Statement
28/10/2009	No	MSF Tully Bidder’s Statement - Offer dated 28 October 2009
28/10/2009	No	MSF Tully Transfer and Acceptance Form
09/11/2009	Yes	Trading Halt
10/11/2009	Yes	Share Placement and Announcement of Share Purchase Plan
12/11/2009	No	Appendix 3B

4 Glossary

4.1 Definitions

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this Second Supplementary Bidder's Statement. Additional terms used in this Second Supplementary Bidder's Statement are defined as follows:

Placement has the meaning given in the Chairman's letter in this Second Supplementary Bidder's Statement.

Share Purchase Plan has the meaning given in the Chairman's letter in this Second Supplementary Bidder's Statement.

4.2 Interpretation

Section 11.2 of the Bidder's Statement applies to this Second Supplementary Bidder's Statement as if that section were set out in full in this Second Supplementary Bidder's Statement (except that all references to "this Bidder's Statement" in that section are to be read as "this Second Supplementary Bidder's Statement").

5 Approval of Second Supplementary Bidder's Statement

This Second Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the directors of MSF on 13 November 2009.

Signed by James Jackson of MSF in accordance with section 351 of the Corporations Act.

Dated this 13 day of November 2009.

A handwritten signature in black ink, appearing to read 'J Jackson', written in a cursive style.

James Jackson
Chairman