



14 December 2010

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THE MARYBOROUGH SUGAR FACTORY LIMITED SUCCESSFULLY COMPLETES EQUITY RAISING TO FUND SUGAR MILLING EXPANSION

PLACEMENT

The Maryborough Sugar Factory Limited ("**MSF**" or the "**Company**") is pleased to announce that it has completed an institutional placement to raise approximately \$38 million ("**Placement**") at an issue price of \$3.15 per share ("**Placement Price**"). The Placement attracted significant demand and closed substantially oversubscribed. The Placement Price represents a 9.5% discount to the closing price on 10 December 2010. UBS AG, Australia Branch acted as sole lead manager, bookrunner and underwriter on the Placement.

The Placement facilitates MSF's entry into the Northern Milling Joint Venture ("**NMJV**") and will be used to partially fund the exercise of MSF's call option to acquire the assets contributed by Bundaberg Sugar Ltd to the NMJV.

MSF CEO, Mr Mike Barry, said: "The successful capital raising allows significant expected synergies to be available from the contiguous growing regions of the Northern Milling Joint Venture assets. The raising was supported by existing shareholders and has allowed for the introduction of some new high quality institutional investors onto the register."

The Placement includes two components, an unconditional placement to raise approximately \$25 million ("**Unconditional Placement**") and a conditional placement to raise approximately \$13 million ("**Conditional Placement**").

The number of new shares to be issued pursuant to the Unconditional Placement does not exceed 15% of the ordinary shares of the Company currently on issue and accordingly, no shareholder approval of the issue of the Unconditional Placement shares is required under the ASX Listing Rules. MSF expects to issue approximately 8 million ordinary shares on settlement of the Unconditional Placement on or about 17 December 2010.

Settlement of the Conditional Placement is subject to shareholder approval (by ordinary resolution) at a general meeting scheduled to take place on 17 January 2011. The notice of meeting and related materials for the general meeting will be despatched to shareholders in due course. Subject to receipt of the shareholder approval, MSF expects to issue approximately 4 million ordinary shares on settlement of the Conditional Placement on or about 19 January 2011.

SHARE PURCHASE PLAN

As previously announced, MSF is also planning offer existing eligible shareholders with a registered address in Australia or New Zealand the opportunity to participate in a non-underwritten Share Purchase Plan (“**SPP**”) of up to \$15,000 per eligible shareholder at the Placement Price. The record date for the SPP is 10 December 2010. Further details of the SPP will also be provided to eligible shareholders in due course.

All shares issued under the Placement and SPP will rank equally with existing fully paid ordinary shares in MSF from allotment.

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The Maryborough Sugar Factory Limited (ASX code: MSF) is an integrated sugar company based in Queensland, Australia. It first listed on the Australian Stock Exchange in 1956 and has recently entered into a dynamic new phase of its history with the acquisition of and interests in, additional sugar producing assets in Far North Queensland.

This release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person that is, or is acting for the account or benefit of, a “U.S. person” (as defined in Regulation S under the U.S. Securities Act of 1933d (the “Securities Act”)) (“U.S. Persons”). The securities to be issued in the proposed institutional placement and the SPP have not been, and will not be, registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, unless the securities have been registered under the Securities Act, or in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

This press release contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this press release, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of The Maryborough Sugar Factory Limited. The Maryborough Sugar Factory Limited does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this press release will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Maryborough Sugar Factory Limited does not have any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this press release, except where required by law. These forward-looking statements are subject to various risk factors that could cause The Maryborough Sugar Factory Limited's actual results to differ materially from the results expressed or anticipated in these statements.