MARYBOROUGH SUGAR FACTORY

SUGAR MILLERS & GROWERS

COMPANY ANNOUNCEMENT

19 April 2010

FAR NORTH QUEENSLAND SUGAR CANE MILLING JOINT VENTURE

The Maryborough Sugar Factory Limited ("MSF") is pleased to announce it has today signed a binding agreement with Bundaberg Sugar Ltd ("BSL") to establish a 50/50 joint-venture of the northern sugar cane milling operations of both parties.

The key terms of the joint venture are:

- An unincorporated joint-venture will be formed comprising the operation of the Mulgrave, South Johnstone, Babinda and Tableland mills and associated milling assets including contracts, cane rail networks, easements, leases and licences, with an effective date of 1 December 2010.

- On execution of the final joint venture documentation, MSF will pay BSL a non-refundable amount of $20 million and will have an entitlement to 50% of the future sugar production of the joint venture from the effective date and a call option to acquire the remaining 50% of the joint venture. This payment will be funded from MSF's current cash reserves.

- A jointly owned management company comprising senior managers of both parties will conduct the activities of the joint venture.

- From the effective date, each party will be entitled to 50% of the combined mills' raw sugar production. Presently, BSL markets its northern raw sugar through Queensland Sugar Limited, whilst MSF markets its raw sugar directly to overseas customers.

- The joint-venture costs and capital requirements will be shared equally.

- MSF will have a call option to acquire BSL's mills and all of the assets BSL is contributing to the joint-venture, exercisable from 1 December 2010 until 29 February 2012 for additional consideration of $50 million.

- Each party will have pre-emptive rights over the other party's mill(s) and joint-venture interest.

- If MSF has not exercised its call option to acquire BSL's mills and BSL's joint-venture interest and by 1 December 2013 neither party has exited the joint venture, then either party may request the joint venture to conduct either an IPO or trade sale of the combined joint-venture assets and operations.

- MSF will have a first right of refusal and call option to acquire BSL's farm assets located in the region comprising approximately 1800 hectares of land exercisable from 1 December 2010 until 29 February 2012 if MSF has first exercised its call option to acquire BSL's mills and BSL's joint-venture interest. The purchase price for the farms will be the fair market value as determined by an independent valuer.
- If MSF terminates the current agreement to form the joint venture or the final joint venture documentation is not executed by MSF by 23 June 2010 (subject to being extended in certain circumstances), a non-refundable break fee of $5 million is payable to BSL in certain circumstances.
- Execution of final joint venture documentation and payment by MSF of the $20 million are conditional on FIRB and ACCC approval.

Further information:

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