



17 January 2011

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SHAREHOLDERS APPROVE ISSUE OF FURTHER SHARES

PLACEMENT

The Maryborough Sugar Factory Limited (“**MSF**” or the “**Company**”) is pleased to announce that it has now received the required shareholder approval to complete the institutional placement to raise approximately \$38 million (“**Placement**”) at an issue price of \$3.15 per share (“**Placement Price**”). As previously advised on 14 December 2010 the Placement attracted significant demand and closed substantially oversubscribed.

The Placement will be used to partially fund the exercise of MSF’s call option to acquire the assets contributed by Bundaberg Sugar Ltd to the Northern Milling Joint Venture.

MSF Chairman, Mr James Jackson, said: “The support of shareholders is very much appreciated in confirming the Board’s strategy of raising additional capital to help fund this very important transaction for the Company. The proposed exercise of the option to fully acquire the Northern Milling Joint Venture assets will provide the Company with a significantly expanded asset base from which to operate and grow its market share of the increasing demand for raw sugar throughout Asia. Pleasingly the raising was supported by both existing shareholders and has also allowed for the introduction of some new high quality institutional investors onto our register.”

The Placement included two components. An unconditional placement which raised approximately \$25 million (“**Unconditional Placement**”) and which was completed in mid December 2010. The second component which was subject to today’s shareholder approval (“**Conditional Placement**”) raises approximately \$13 million and was placed with the same investors as the Unconditional Placement.

SHARE PURCHASE PLAN

As previously announced, MSF is also offering existing eligible shareholders with a registered address in Australia or New Zealand at the record date 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 have been provided to eligible shareholders but as previously announced on 12 January 2011 due to disruptions caused by the flooding occurring in various parts of Australia, the

closing date has been extended by 7 days to 6.00 pm (Sydney time) Monday 24 January 2011.

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

IMPACT OF QUEENSLAND FLOODS

As previously reported on 11 January 2011, MSF has not incurred any material damage following recent widespread flooding through large parts of Queensland. Therefore no adjustments are necessary to the guidance provided as part of the capital raising undertaken in December 2010.

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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.