

ASX ANNOUNCEMENT
SELECT HARVESTS MARKET UPDATE



SELECT HARVESTS

15th March 2010

- **SELECT HARVESTS COMMITS TO A LONG TERM LEASE OF A FURTHER 2,500 ACRES OF ALMOND ORCHARDS NEAR HILLSTON NSW AND;**
- **SECURES TERM DEBT FINANCING TO SUPPORT GROWTH AGENDA**
- **WATER ALLOCATIONS INCREASE FURTHER**

LEASE OF ADDITIONAL ACREAGE IN NSW

Select Harvests Limited (ASX: SHV) has signed a Heads of Agreement with Rural Funds Management Limited "RFM" to lease on a long term basis approximately 2,500 acres of almond orchards in Yilgah near Hillston in New South Wales. This is part of the company's strategy to increase the area of almond orchards owned/ leased and under management.

This acreage is in addition to the long term lease of between 600 and 1,500 acres of almond orchards in Moorah also near Hillston, previously announced on 15th February 2010. In aggregate, Select Harvests expects to secure a long term lease of between 3,100 and 4,000 acres of almond orchards. The final acreage leased from RFM will be subject to the finalization of the restructuring of some MIS schemes associated with the orchards. Select Harvests expects to be able to confirm the final acreage along with completion of the leases within the next two weeks and for the leases to take effect from 1 April 2010.

The orchards to be leased were planted in 2007/2008 and will reach full maturity commencing 2013. They are currently managed by RFM and are in good condition, with excellent future cropping potential. The orchards are serviced by bore water from the Lower Lachlan Groundwater Source which has proven a high quality and reliable source of water even through the drought conditions experienced in recent years. The leases deliver access to 15 ml per hectare of permanent water rights per annum, which is 20% above the normal applications on our existing orchards.

DEBT FINANCING

The company has secured an \$88 million debt facility comprising up to \$60 million of term debt over a 3 year period, with the balance being a working capital facility which can be reviewed annually in line with funding requirements. This replaces a short term debt facility of \$53 million which was due to mature in June 2010. The new facility has a repayment schedule and associated financial undertakings which are aligned to the board's broad capital management plan which aims to ensure that the company has a strong balance sheet with flexibility to fund future growth opportunities. As previously announced, the company's capital management plan is likely to consist of combination of the additional term debt, balance sheet initiatives, options associated with water and orchard leasing and raising of additional equity.

INCREASED WATER ALLOCATIONS

Goulburn Murray Water has announced an increase in their 2009/2010 water allocations. The water allocation in the Murray system has been increased by 12% to 78% compared to the final allocation last year of 35%. The water allocation in the Goulburn system has been increased by 9% to 69%, compared to a final allocation of 33% last year. The decision was supported by recent high levels of rainfall in central Victoria; improved water availability in Victoria arising from flows from the Darling River, caused by heavy rains in the northern Murray-Darling Basin early in the New Year, and suppressed irrigation demand. Goulburn Murray Water anticipates that the recent flooding in Southern Queensland will significantly

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increase the volume of water stored in the Menindee Lakes and further benefit Victorian Murray resources at their next assessment.

The increased allocations will reduce the amount and price of temporary water required to supplement reduced allocations this season and the cost of acquiring carry-over water to commence next season.

John Bird, Select Harvests' Chief Executive Officer, said,

"The additional term debt we have secured as part of the Group's capital management plan, will give us the flexibility to pursue our growth plans including consolidating our position in the Murray Darling basin and establishing orchards in the Dandaragan region of WA. We are well placed, therefore, to consolidate our strong position as a leading player in the global almond industry. We are pleased to have the continued support of ANZ, the Group's existing bankers, to support our long term future."

"We continue to leverage our capabilities as a leading manager and processor of almonds. Securing a long term lease with RFM over at least 3,100 acres of high quality orchards near Hillston in NSW will nearly double the number of acres that we own or lease, diversifying our earnings stream and increasing our access to the whole of the almond value chain."

"Recent rainfall in central Victoria and flooding in southern Queensland have improved the outlook for water supply in the Murray Darling basin. The significant improvement in water supply and pricing dynamics is very positive for Select Harvests and bodes well for the company both this season and into the next."

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About Select Harvests

Select Harvests is the second largest almond manager in the world. The Company owns 3,368 acres of almond orchards in north-west Victoria and 4,500 of plantable acres in Western Australia, including access to 22,000 mega litres of water rights. The Company manages over 35,000 acres of almond orchards on a fee for service basis. Select Harvests provides services including orchard establishment, tree supply, farm management, harvesting, processing, and marketing. Select Harvests is also Australia's leading manufacturer, processor and marketer of a range of nuts and fruit based products to the Australian retail and industrial markets, and exports almonds to several countries in Asia, Sub-Continent, Europe and the Middle East.