

SunRice Update

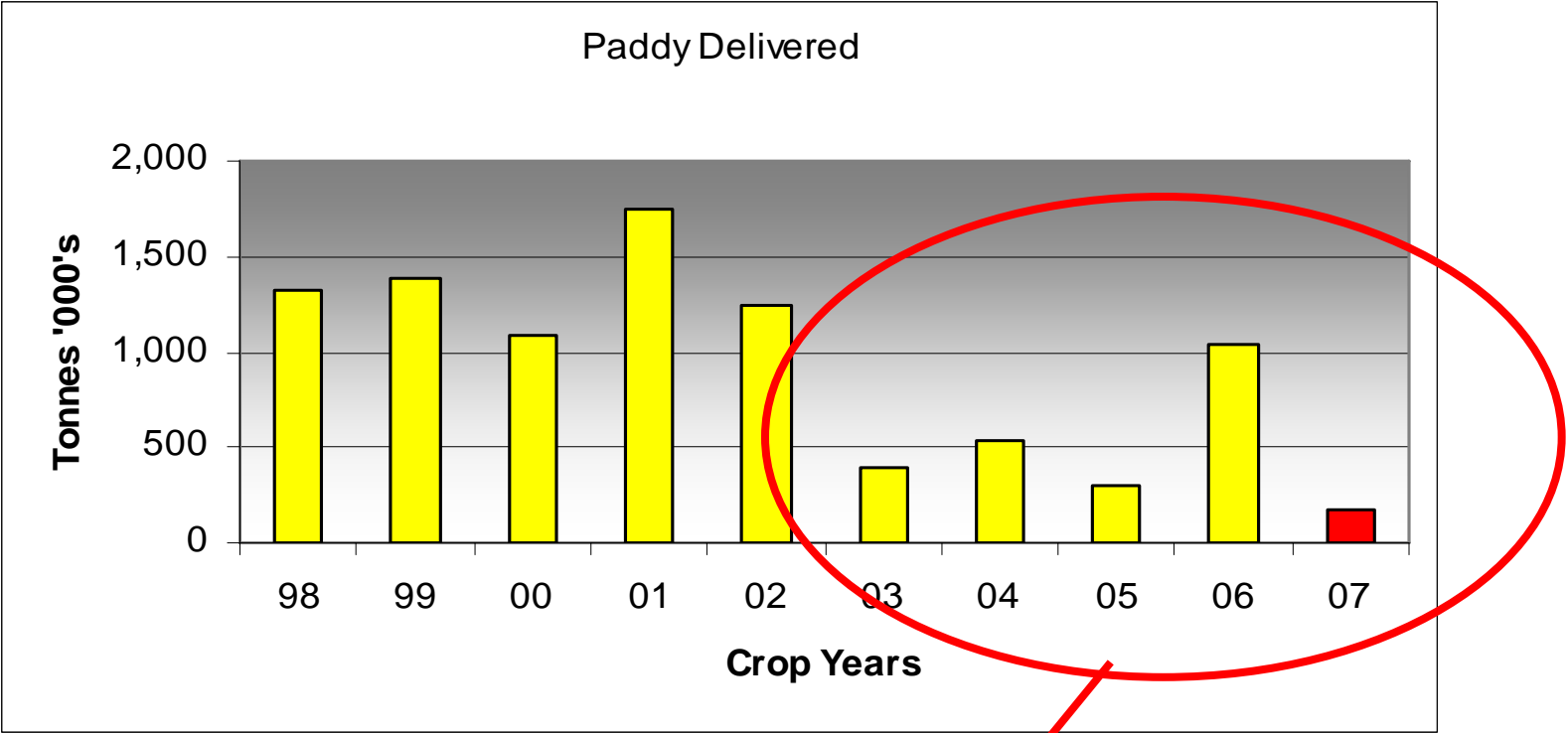
Gerry Lawson, Chairman
4-7 June 2007



The Rice Food Experts

Back to Normal - C06

(May 06 – Apr 07)



VOLATILITY



Back to Normal - C06

(May 06 – Apr 07)

- Comeback of Australian Rice
 - 1.04 million tonnes
 - Boost of confidence to industry and all stakeholders
- Rebuilding markets
- Utilising operational infrastructure



C06 Update

- **Paddy Return**
 - Latest update issued is \$260
- **Tracking to forecast due to:**
 - External Trading
 - Cost containment
 - Strong brands & relationships

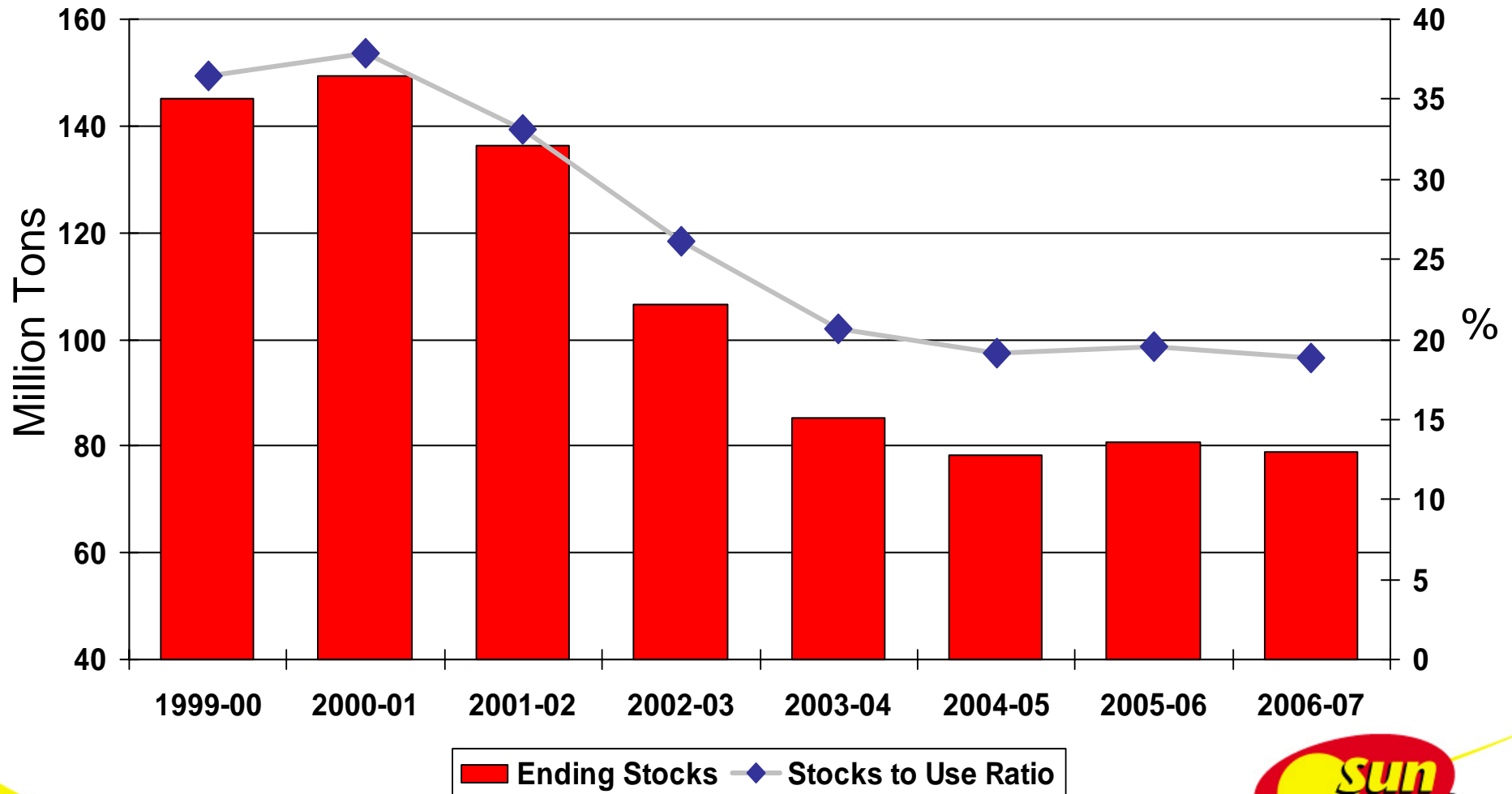


World MG Rice Trade Environment

- Global Ending Stocks continue to fall
- China remains a low level exporter
- California facing an average crop in C06/07 and large plantings are expected for C07/08
- Egypt forecast to maintain current production and exports but prices are firm

World Rice Stocks

Average Global Consumption > 410 MMT



C07

- Approximately 166,000 tonnes delivered – better than initially forecast
- Lowest production since 1965
- Ongoing application of Drought Strategy
 - Crop carryover (260,000 tonnes from C06)
 - Cost reduction
 - Global sourcing
- Guaranteed minimum of \$320 per tonne

Thank you to our 2007 Growers



SunRice Business Strategy Review

- CMT & Board analysed and reviewed the business going forward
- Australian rice production
 - 800,000 tonnes
 - Increased volatility
- Developed infrastructure plan
- Looked at ways to utilise our grain storage infrastructure
- Global sourcing



Share Trading to Commence

- SunRice scheduled to list on NSX on 18 June 2007
- NSX - National Stock Exchange – *formally known as Newcastle Stock Exchange*
- To buy or sell B Class Shares on the NSX, you will need to contact a stockbroker who is registered with the NSX
- Shareholders registered as at 30 June 2007 will be eligible to receive a dividend re the year ended April 2007
 - Expected to be a payment of at least 21.5c/share



Capital Raising

- In November 2006 SunRice issued a Prospectus initiating part of 5 YEAR STRATEGY which aims to maximise the conversion of approx \$51m of maturing Rice Bonds into **permanent capital**
- Shareholders subscribed to \$7.7 million in this initial share – however a total of \$42.6m of Rice Bonds will mature by June 2010
- In July 2007 - \$12.5 million of Rice Bonds is maturing
- SunRice will give the holders of Rice Bonds, which are due to mature on the 30th June 2007, the opportunity to extend the maturity date of these bonds to enable the value of those bonds to be used to purchase shares in November 2007
- There will also be the option to purchase shares by paying cash, or by committing the proceeds of RMB Equity, maturing in July 2008.



Director Elections



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Election of Directors - Overview

- Under the Constitution SunRice is required to hold elections for 4 Directors who are A Class Shareholders for a period of 4 years (or such other period as the A Class Shareholders may determine at the AGM)
- A person may be elected if they are a Director whose term of office is concluding; or written notice of his/her nomination (signed by 2 or more A Class Shareholders) has been received by the specified closing date
- Important to communicate to enhance shareholder knowledge and encourage informed participation in the electoral process



Election of Directors – Timetable

- Advertisements calling for Nominations - Fri 29 June
- Nominations Close - Fri 13 July
- Profiles of Candidates - Fri 13 July
- Ballot Papers Posted - Fri 20 July
- Ballot Closes - Tue 21 Aug
- Announcement of results & AGM - Fri 24 Aug



Election of Directors – Voting

- A Class Shareholders are able to vote for any number of candidates up to the maximum number of positions to be filled (as per the last election as a Co – operative)
- The ballot will be a “secret ballot” conducted by the Returning Officer in accordance with the voting procedures
- Scrutineers may be appointed by the Board or by the candidates
- Notification of the result of the ballot shall be announced at the Annual General Meeting
- Formal procedures developed with input from our legal advisers and approved by the Board

