



**The Rice Food Experts**

26 November 2010

Dear Shareholder,

To enable you to make a decision on Ebro's offer to acquire SunRice, we have executed a Scheme Implementation Agreement with Ebro.

While the vote will not occur until March 2011, this step signals the end of the five week exclusivity period, during which both parties negotiated legal documentation and Ebro undertook due diligence on SunRice.

During that time key commercial terms of the potential acquisition were negotiated further. The terms are consistent with those announced on 21 October 2010, with additional detail included on Ebro's rice purchasing commitment to SunRice shareholders. The SunRice Board emphasised the importance of the purchasing commitment in these negotiations.

As previously mentioned, a Grower Advisory Board will be established. Following discussions with Ebro, it has been agreed that it will comprise three grower representatives and three Ebro representatives. Importantly the Chairman will now be a grower representative. In addition, the Grower Advisory Board will have enhanced powers in relation to paddy pricing.

Now that the Scheme Implementation Agreement is in place, Ebro's offer is in a form that can be put to you to consider. As part of this process, representatives from Ebro, including the Chairman, Antonio Hernandez Callejas, will visit Australia in early December to meet with you. You will have an opportunity to raise your concerns and questions directly with him, while also hearing Ebro's rationale for the transaction and its intentions. I will also attend these meetings along with members of the SunRice Board and management team. We will send you further information on the meetings and venues next week.

In addition to the meetings above, the SunRice Board will continue to keep you updated on the transaction. We plan to send you a scheme booklet for the proposed transaction in February 2011, along with the Independent Expert's Report, which will provide you with information to help you make your decision.

As we outlined earlier, Ebro is offering to pay \$50,000 per share for your A Class shares and \$5.025 per B Class Share together with 60.3 cents per share of franking credits (subject to receipt of a positive ruling from the Australian Taxation Office). Ebro will make a minimum five year commitment to purchase rice from New South Wales rice growers using a formula linked to Californian Medium Grain prices.

In the absence of a superior proposal, or the failure of an independent expert to provide an opinion supporting the terms of the Scheme Implementation Agreement, each of the Directors of SunRice have recommended this proposal so that the offer could be put to you to consider.

A copy of the Scheme Implementation Agreement is available on our website ([www.sunrice.com.au](http://www.sunrice.com.au)) and on the National Stock Exchange website.

I look forward to seeing you at the shareholder meetings in early December.

Yours sincerely,

Gerry Lawson  
Chairman