

12 June 2007



The Rice Food Experts

SHAREHOLDER NAME
ADDRESS
TOWN STATE PCODE

Dear Shareholder

SunRice Capital Raising Program

I am writing to you in relation to the second year of the SunRice Capital Raising Program. This Program is an important component of our business strategy to provide the capital needed to grow the business for the benefit of all shareholders.

The program has two components:

1. Conversion of maturing Rice Bonds and RMB Equity to B Class Shares

As foreshadowed in the recent "Update", a Prospectus will be issued later in the year to give Shareholders an opportunity to subscribe for additional B Class Shares. The offer will allow Shareholders to pay for the shares through a combination of:-

- cash payment; and/or
- converting the value of Rice Bonds held; and/or
- converting the value of the RMB Equity Rollover payment to be made in July 2008

DD and HH Series Rice Bonds mature 30 June 2007 for repayment on 10 July 2007. The Directors have decided to give the holders of these bonds, the opportunity to extend the maturity date. This will enable some or all of the value of these bonds (as well as other Rice Bonds held) to be used to purchase B Class Shares through the offer to be made in a Prospectus later in the year.

You may wish to take the opportunity to elect to extend the maturity date of your DD and HH Series Rice Bonds so that you can, at your option, use them to pay for B Class Shares under the Prospectus. An Election Form is enclosed. Please complete the form, sign it, and return to SunRice Grower Services in the reply paid envelope by close of business on Wednesday 27 June 2007.

If you elect to extend the maturity date, interest will continue to accrue on the DD and HH Series Rice Bonds at the current rate of 9% and 10% per annum, respectively. You also have the option to have the DD and HH Series Rice Bonds and accrued interest repaid to you at any time after 10 July by written request to SunRice. On request, SunRice will pay out funds retained, together with any interest accrued between 1 July 2007 and the date of receipt of your written request.

Electing to extend the maturity date does not bind you to take up any additional B Class Shares under the Capital Raising Program. A binding decision can only be made once the Prospectus and Application Form has been issued to you later in the year. Shareholders who want to acquire B Class Shares under the Prospectus will need to complete the Application Form with it.

The value of your DD and HH Series Rice Bonds at 30 June 2007 is included on the Election Form. If, for any reason, the Prospectus is not issued or you decide not to use your DD and HH Series Rice Bonds to acquire B Class Shares, SunRice will repay your DD and HH Series Rice Bonds and accrued interest, at latest, on 31 December 2007 or such earlier date as SunRice determines.

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2. Dividend Reinvestment Plan

Shareholders are again provided with an opportunity to participate in the Ricegrowers Limited Dividend Reinvestment Plan. The Plan was established in June 2006 for Shareholders who wish to invest dividend income in additional B Class Shares in the company.

Participation in the Plan is voluntary and you may vary your participation at any time.

The Plan enables you to build your Ricegrowers Limited shareholding over time by receiving your dividends in the form of additional B Class Shares, with no costs or commissions. The details of the Plan are set out in the enclosed Terms and Conditions of the Plan. Please read this document carefully.

As noted in the Terms and Conditions of the Plan, B Class Shares under the Plan will be issued at a price determined by the Board from time to time.

In July, all B Class Shareholders who are registered as Shareholders as at 30 June 2007, will be eligible to receive a dividend payment. The final dividend rate will be determined by the Board prior to 30 June 2007 and advised to you shortly thereafter. It is anticipated that the dividend payment will be at least 21.5 cents per fully paid share.

The number of shares you are issued will be calculated using the formula set out in the Plan's Terms and Conditions. Your anticipated Share Dividend payment, based on your existing shareholding, is set out on the enclosed page. The issue price of B Class Shares under the Plan will be made available on the SunRice website (<http://www.sunrice.com.au>) on 29 June 2007. Alternatively, you may contact Grower Services on 1800 654 557 or 02 6953 0568 to obtain this information after 29 June 2007.

If you participated in the Plan in 2006 your existing instructions are stated on the enclosed page. Please review these instructions and if you wish to make changes you must fill out the enclosed Application Form, and return it to SunRice Grower Services in the reply paid envelope by close of business on Friday 6 July 2007. If you do not wish to make changes your dividend income will be invested in accordance with your existing instructions.

If you wish to participate in the Dividend Reinvestment Plan for the first time this year, you must fill out the enclosed Application Form and return it to SunRice Grower Services in the reply paid envelope by close of business on Friday 6 July 2007.

If you choose not to participate in the Dividend Reinvestment Plan, your dividend will be paid later in July 2007.

If you have any questions about any of these matters, please contact Grower Services on 1800 654 557 or 02 6953 0568.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gerry Lawson', written in a cursive style.

Gerry Lawson
Chairman

**DD and HH SERIES RICE BONDS
OPPORTUNITY TO ELECT TO EXTEND MATURITY DATE**

Holder No: «Holder No»

Holder Name: «Holder»

DD and HH Series Rice Bonds, issued in the name «**Bond_Holder**» are due to mature on the 30th June 2007 with a value of «**Maturing Bond Amount**».

Please elect whether you want to extend the maturity date for the above DD and HH Series Rice Bonds by ticking the appropriate box below. This Election Form must be returned to Grower Services in the reply paid envelope by close of business Wednesday, 27 June 2007.

1. Please extend the maturity date on the total amount («**Maturing Bond Amount**») of the DD and HH Series Rice Bonds held.

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2. Please extend the maturity date for \$ _____ of the DD and HH Series Rice Bonds held and pay the remainder with interest as scheduled on 10 July 2007.

☐

3. I do not want to extend the maturity of my DD and HH Series Rice Bonds. Please pay the total amount («**Maturing Bond Amount**») as scheduled on 10 July 2007.

☐

Please confirm that the following payment instructions we hold are correct by ticking one of the boxes below. If you tick the NO box, please contact Grower Services on 1800 654 557.

ABN	Bank	BSB	Account	Account Name
«ABN»	«Bank»	«BSB»	«Account»	«Account_Name»

The above details are correct

☐

YES

☐

NO

Authorised Signature/s for «**Bond_Holder**»

«ASSOC_SH» «SH_NAME»

RICEGROWERS LIMITED DIVIDEND REINVESTMENT PLAN
Dividend on Shares Held at 30 June 2007

1. Anticipated Share Dividend Payment:

Shareholder Name: «Shareholding_Name»
«ACCOUNT_ASSIGNMENT»

Shareholder Reference No: «SRN»

Total B Class Shares held: «B_Class»

Anticipated Share Dividend available for
reinvestment or payment in July 2007: «Dividend»

2. Existing Instruction:

«EXISTING»

3. To participate in the Ricegrowers Limited Dividend Reinvestment Plan you must:

- I. Read the enclosed Terms and Conditions of the Plan;
- II. Fill in the Application Form and return to SunRice Grower Services, in the reply paid envelope, by close of business Friday 6 July 2007.

Please confirm that the following payment instructions we hold are correct by ticking one of the boxes below. If you tick the NO box, please contact Grower Services on 1800 654 557.

ABN	Bank	BSB	Account	Account Name
«ABN»	«Bank»	«BSB»	«Account»	«Account_Name»

The above details are correct

☐

YES

☐

NO

RICEGROWERS LIMITED

ABN 55 007 481 156

APPLICATION Form

Please print your Shareholder Reference No.

I											
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Refer to your most recent holding statement or dividend advice for these details.

Name and
Address:

DO NOT COMPLETE THIS FORM UNTIL YOU HAVE READ THE RULES OF THE PLAN

I/We cancel any previous instructions for participation in the Ricegrowers Dividend Reinvestment Plan. I/We agree to be bound by the terms and conditions of the Ricegrowers Dividend Reinvestment Plan as amended from time to time, and I/we apply to receive dividends in the form of shares under the Ricegrowers Dividend Reinvestment Plan as follows:

A. Full Participation

The Plan will apply to all B Class Shares

(Please tick)

☐

OR

B. Partial Participation

The Plan will apply to this number of B Class
Shares nominated by me/us

(Enter Number)

OR

C. Cancel Participation

Cancel my/our participation in the Plan

(Please tick)

☐

Signature of
Shareholder(s):

RICEGROWERS DIVIDEND REINVESTMENT PLAN

HOW TO SIGN THIS DIVIDEND REINVESTMENT PLAN APPLICATION FORM

Individual Shareholders:	Sign yourself
Corporations:	Sign under seal or otherwise in accordance with the company's constitution, or by an officer duly authorised in writing
Joint Shareholders:	All must sign.
Power of Attorney:	If this notice is signed under power of attorney the power must either have been produced previously to the Company or accompany this notice.
Authority:	If this notice is signed by an authorised officer of a corporation a certified copy of the resolution of Board authorising the officer must either have been produced previously to the Company or accompany this notice.
Notice of Death:	A notice to cancel participation by reason of death may be signed by a shareholder's personal legal representative.
Bankruptcy or Winding Up:	A notice to cancel participation by reason of bankruptcy or winding up may be signed by the Shareholder's trustee in bankruptcy or liquidation as applicable.

LODGEMENT INSTRUCTIONS

To be effective in respect of any dividend this application must be received by 5pm on the record date in respect of that dividend. Participation automatically applies to all subsequent dividends.

Send Application to: _____

Ricegrowers Limited
Grower Services Department
PO Box 561
LEETON NSW 2705

RICEGROWERS DIVIDEND REINVESTMENT PLAN

RICEGROWERS LIMITED

ABN 55 007 481 156

DIVIDEND REINVESTMENT PLAN

SUMMARY of the Plan

Reinvesting in B Class Shares in Ricegrowers is simple and optional

The Ricegrowers Dividend Reinvestment Plan (**Plan**) is an optional, economical and convenient way to reinvest all or part of your dividends in additional B Class Shares in Ricegrowers.

Participation in the Plan is entirely optional. You can elect to join by using the application form provided, or, if you prefer, you can continue to receive cash dividends.

You can choose to reinvest all of your dividend income in additional B Class Shares in Ricegrowers, or just a portion of your dividend. If you elect to participate in the Plan, each time a dividend is due to be paid to you the proportion you have chosen will be automatically reinvested in B Class Shares in Ricegrowers.

All Shareholders resident in Australia can participate, subject to any law and the Constitution of Ricegrowers.

How do I participate in the Plan?

Complete the enclosed application and return to Ricegrowers Limited at:

Grower Services Department
Ricegrowers Limited
PO Box 561
LEETON NSW 2705

When will my participation begin?

Participation begins with the first dividend payment after receipt of your application form. The form must be received by 5pm on the date of determination of entitlement (or such other date as notified), to be effective for that dividend.

Issue Price of B Class Shares

B Class Shares under the Plan will be issued at a price determined by the Board from time to time. The number of shares you are issued will be calculated using the formula set out in the Plan's Terms and Conditions.

Plan shares are the same as other B Class Shares in Ricegrowers

B Class Shares issued under the Plan have all of the same rights as other B Class Shares in Ricegrowers, as set out in the Constitution.

How can I keep a record of my participation in the Plan?

After each Ricegrowers dividend, you will be sent a statement which will show amongst other details, the cash value of your dividend entitlement, the number of shares you received under the Plan and the issue price of those shares.

Can I change my participation at any time?

Yes. If you want to change your participation in the Plan you should contact Grower Services on 1800 654 557 or 02 6953 0568, and they will advise you on the steps you need to take.

What are the Terms and Conditions?

The Terms and Conditions of the Plan follow this summary. Before deciding on whether you wish to participate in this Plan, please read the Terms and Conditions carefully. If you elect to participate in the Plan you will be bound by these Terms and Conditions.

Can the Plan be modified or cancelled?

The Plan may be modified, suspended, recommenced or terminated by the Board of Ricegrowers at any time.

Maximum shareholding

B Class Shares will not be issued under the Plan if the issue would breach any law or the Constitution of Ricegrowers.

What are the taxation implications?

Under current law and practice, for Australian income tax purposes the tax treatment of a dividend reinvested under this Plan will be the same as if you received a dividend in cash.

If you require investment or taxation advice on any aspects of the Plan or on your existing Ricegrowers shareholding, you should contact an accountant or a professional adviser. Neither Ricegrowers nor our Share Registry can provide you with advice on these matters.

Any other questions?

If you have any other questions about your Ricegrowers shareholding or this Plan, please telephone Grower Services on 1800 654 557 or 02 6953 0568.

This information is important. Should you have any doubt about how to deal with it, please consult a suitably qualified adviser.

DIVIDEND REINVESTMENT PLAN

TERMS AND CONDITIONS

1. PARTICIPATING IN THE PLAN

1.1 A Shareholder may elect to receive additional Shares instead of cash for Dividends declared by Ricegrowers in respect of all or some of their Shares.

1.2 Participation in the Plan is:

- (a) optional;
- (b) subject to the Terms and Conditions; and
- (c) may be varied or terminated by a Participant at any time.

2. ELIGIBILITY TO PARTICIPATE

Subject to clauses 3 and 4, each Shareholder is eligible to participate in the Plan.

3. ISSUE IN CONTRAVENTION OF APPLICABLE LAW OR CONSTITUTION

If, in the opinion of the Board, the issue of Shares under the Plan or the holding of those Shares by a Participant may breach a provision of an Applicable Law or the Constitution, the Board may:

- (a) decline to issue those Shares;
- (b) reduce the issue of those Shares on a proportionate basis; or
- (c) reduce or suspend the participation of that Participant in the Plan.

4. FOREIGN SHAREHOLDERS

Unless otherwise determined by the Board, a Shareholder who is ordinarily resident outside Australia is not eligible to participate in the Plan.

5. APPLICATION TO PARTICIPATE

5.1 Application to participate in the Plan must be made on an Application Form signed by the Shareholder.

5.2 The Board may, in its absolute discretion, accept or refuse any Application.

5.3 The details of a Participant recorded by Ricegrowers remain in force until the Participant varies them by notice to Ricegrowers in accordance with these Terms and Conditions.

6. EXTENT OF PARTICIPATION

6.1 A Shareholder eligible to participate in the Plan may elect to participate in the Plan:

- (a) in respect of all Shares registered in that Shareholder's name ("**Full Participation**"); or
- (b) in respect of only some of the Shares registered in that Shareholder's name ("**Partial Participation**").

- 6.2 Under Full Participation, all Shares registered in the Participant's name at the time of commencement of the Participant's Full Participation, and all Shares subsequently registered in the Participant's name (including Shares issued under the Plan), will participate in the Plan.
- 6.3 Under Partial Participation, only that number of Shares indicated by the Participant for participation in the Plan will participate in the Plan.
- 6.4 An Application Form received by Ricegrowers that does not indicate the extent of participation may, without notice to the Shareholder and at the discretion of the Board, be rejected or may be treated by Ricegrowers to be an Application for Full Participation. Ricegrowers will not be liable to any Shareholder for any loss, damage or claim in relation to the Board's action under this clause.
- 6.5 An Application Form received by Ricegrowers that indicates a number of Participating Shares in excess of the number of Shares held by the Shareholder making the Application, will be deemed to be an Application for Full Participation.
- 6.6 Notwithstanding any other provision in this Plan, a Shareholder can not elect to participate in the Plan:
- (a) for more than the Maximum Participation; or
 - (b) for less than the Minimum Participation.

7. OPERATION OF PLAN

- 7.1 On each Dividend Payment Date, the Board will allot to each Participant a number of Shares determined by the following formula:

$$\frac{S \times D}{C}$$

where:

S = the number of Participating Shares held by the Participant (being not more than the Maximum Participation and not less than the Minimum Participation).

D = the amount of the Dividend payable to the Participant on that Dividend Payment Date (less any applicable withholding tax) in respect of one Participating Share (expressed in terms of cents with fractions of cents rounded to the nearest full cent).

C = the Issue Price.

- 7.2 Any fractions arising from the calculation under clause 7.1 will be rounded down to the next whole number of Shares [and the amount representing the fraction will be paid to the Participant in cash].

8. SHARES ALLOTTED UNDER THE PLAN

All Shares issued under the Plan will rank equally in all respects with all other Shares.

9. LIMITS ON PARTICIPATION

The Board may at any time set a Minimum Participation or a Maximum Participation.

10. NO COST TO SHAREHOLDERS

No brokerage, commission, stamp duty or other transaction costs will be payable by Shareholders for Shares issued under the Plan.

11. VARIATION TO OR TERMINATION OF PARTICIPATION

11.1 A Participant may at any time by giving notice in the prescribed form (if any) to Ricegrowers:

- (a) increase or decrease the number of its Participating Shares as follows:
 - (i) from Full Participation to Partial Participation or from Partial Participation to Full Participation; or
 - (ii) maintain Partial Participation but increase or decrease the number of its Participating Shares; or
- (b) terminate its participation in the Plan.

11.2 A Participant's participation in the Plan terminates:

- (a) on receipt by Ricegrowers of a notice in accordance with these Terms and Conditions;
- (b) on the date of registration of a transfer of all of the Participant's Participating Shares;
- (c) on termination of the Plan by Ricegrowers under these Terms and Conditions;
- (d) on receipt of notice of the Participant's death in accordance with these Terms and Conditions; or
- (e) on the Participant ceasing to be eligible to participate in the Plan.

11.3 If a Participant dies, participation by that Participant and any other Participants with whom the deceased was a joint Participant will be terminated upon receipt by Ricegrowers of notice of the death of the Participant.

11.4 If a Participant transfers Participating Shares, those Shares will cease to be Participating Shares.

12. NOTICES

All notices must be in writing and in a form required by Ricegrowers.

13. PARTICIPANT'S ACKNOWLEDGEMENT

By applying to participate in the Plan, an applicant:

- (a) warrants to Ricegrowers that it is eligible to participate in the Plan;
- (b) authorises Ricegrowers (and its officers or agents) to correct any error in, or omission from, its Application Form; and
- (c) acknowledges that Ricegrowers may, in its absolute discretion, accept or refuse the applicant's Application.

14. SUSPENSION, MODIFICATION AND TERMINATION OF THE PLAN

14.1 The Plan may be suspended, modified, recommenced or terminated by the Board at any time.

14.2 A modification, suspension, recommencement or termination of the Plan will take effect on such date as the Board determines.

- 14.3 Any modification, suspension, recommencement or termination of the Plan will not give rise to any liability on the part of, or right or action against, Ricegrowers.
- 14.4 If the Terms and Conditions of the Plan are modified, a Participant continues to participate under the modified Plan, unless the Participant terminates its participation in the Plan.
- 14.5 The Board may settle in such manner as they think expedient, any difficulties, anomalies or disputes which may arise under or in connection with the Plan, whether generally or in relation to any Shareholder or any Shares.

15. **TAXATION**

- 15.1 Neither Ricegrowers nor its Board, officers, employees, representatives or agents:
- (a) take any responsibility or assume any liability for the taxation liabilities of any Participant in connection with the Plan; or
 - (b) represent or warrant that any person will gain any taxation advantage or will not incur a taxation liability or disadvantage as a result of participation in the Plan.
- 15.2 As individual circumstances and laws vary considerably, specific taxation advice from professional advisers should be obtained by each Participant.

16. **STOCK EXCHANGE LISTING**

If the Shares are quoted on a stock exchange, Ricegrowers will apply for Shares allotted under the Plan to be quoted on that stock exchange.

17. **DEFINITIONS**

- 17.1 In these Terms and Conditions:

"Applicable Law" means:

- (a) Corporations Act 2001 (Cth) and any other law relating to the issue or holding of shares; and
- (b) in the event the Shares are listed on a stock exchange, the listing rules of the stock exchange ("**Listing Rules**").

"Application" means an application by a Shareholder to become a Participant.

"Application Form" means a form approved by the Board for participation in the Plan.

"Board" means the board of directors of Ricegrowers.

"Constitution" means the constitution of Ricegrowers.

"Dividend" means any dividend payable by Ricegrowers in respect of a Share.

"Dividend Payment Date" means the date on which Ricegrowers pays a Dividend.

"Issue Price" means the price at which Shares will be issued under this Plan as determined by the Board from time to time.

"Maximum Participation" means the maximum number of Shares, as set by the Board in its discretion from time to time, which a Participant may elect to be Participating Shares.

"Minimum Participation" means the minimum number of Shares, as set by the Board in its discretion from time to time, which a Participant may elect to be Participating Shares.

"Participant" means a Shareholder participating in the Plan.

"Participating Share" means a Share participating in the Plan.

"Plan" means the Ricegrowers Dividend Reinvestment Plan.

"Ricegrowers" means Ricegrowers Limited ABN 55 007 481 156.

"Share" means a "B" Class Share in Ricegrowers.

"Shareholder" means a registered holder of a Share.

"Terms and Conditions" means the terms and conditions of the Plan from time to time.

18. **INTERPRETATION**

18.1 In these Terms and Conditions, unless the contrary intention appears:

- (a) a word denoting any gender includes all genders;
- (b) a word denoting an individual includes a corporation and vice versa;
- (c) a word denoting the singular includes the plural and vice versa;
- (d) headings are for ease of reference only and do not affect the meaning; and
- (e) a reference to a clause is a reference to a clause of these Terms and Conditions (unless stated otherwise).

18.2 These Terms and Conditions are subject to Applicable Law and the Constitution.