



16 August 2007

Company Announcements Officer
National Stock Exchange of Australia Limited
Ground Floor
384 Hunter Street
NEWCASTLE NSW 2300

Sugar Terminals Limited ("Company") - Announcement relating to the sub-lease of terminals to Queensland Sugar Limited (QSL)

On 5 September 2006 the Company advised the market that the sub-lease had been extended on its same terms and conditions until 30 June 2008 to enable the parties to review a range of options for the operation of the terminals.

Progress on this review process has been slow and, in the opinion of the board of STL, it may not be possible to properly investigate all the issues, agree on a way forward and implement changes by that date.

The board is also aware that QSL requires access to the terminals beyond June 2008 to fulfil its obligations under its marketing arrangements with milling companies.

In recognition of the matters referred to above, the board of STL has proposed to QSL that the sub-lease be extended for one year from 1 July 2008 under the same terms and conditions and is awaiting a response from QSL.

Yours sincerely

A handwritten signature in black ink, appearing to read 'RB Farquhar', written over a horizontal line.

RB Farquhar
General Manager