



23 June 2008

The Announcements Officer
National Stock Exchange of Australia Ltd
Ground Floor
384 Hunter Street
Newcastle NSW 2300

Dear Sir

TERMINAL ARRANGEMENT UPDATE

Sugar Terminals Limited ("STL") advises that, from 1 July 2008, Queensland Sugar Limited ("QSL") will occupy the Bulk Sugar Terminals ("Terminals") on the basis of a monthly tenancy terminable by either party on one month's notice in writing to the other and otherwise on the same terms and conditions as the current Sublease between STL and QSL.

The month to month tenancy will continue (unless terminated) pending the outcome of discussions between STL and QSL regarding long term arrangements for the Terminals. Discussions will be undertaken following the restructure proposal to be voted on by the members of QSL on Wednesday 25 June 2008, assuming it is passed. STL will inform shareholders of the outcome of those discussions as soon as they are known.

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

Richard Farquhar
Company Secretary