

Conversion of RMB Equity into Ricegrowers Limited B Class Shares

Ricegrowers Limited ("the Company") announces that it has entered into an Implementation Deed with the Rice Marketing Board for the State of New South Wales which will enable the Company to make an offer to holders of Rice Marketing Board Equity ("RMB Equity") to exchange all of their RMB Equity for a combination of cash and B Class Shares in the Company.

The cash component will represent 10% of the face value of the RMB Equity and, to the extent that it provides an early repayment, will be discounted to a net present value to reflect the time value of money. The remaining 90% will be applied to pay for B Class Shares at variable issue prices between \$2.14 and \$3.715 depending on the year in which the RMB Equity converted is payable.

The offer will be presented in a prospectus for the next stage of the Company's Capital Raising Program, which will also include an offer to all existing shareholders and new growers to apply for B Class Shares at \$2.14 per share. All B Class Shares issued will be entitled to any dividend determined in respect of the year ended 30 April 2009.

It is anticipated that the prospectus will be made available next week. All applicants should consider the prospectus in deciding to acquire B Class Shares and will need to complete the application form that will accompany the prospectus.

M. Del Gigante

Mandy Del Gigante
Company Secretary