

RICEGROWERS LIMITED

ABN 55 007 481 156

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This document is supplementary to the Ricegrowers Limited Prospectus for the issue of B Class Shares dated 1 June 2009 (“**the Prospectus**”).

This document forms part of the Prospectus, and this document and the Prospectus must be read together. To the extent of any inconsistency between this document and the Prospectus, this document prevails.

This document is dated 10 June 2009 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. ASIC does not take any responsibility for the contents of this document.

Terms and abbreviations used in this document are defined in the Prospectus.

SUPPLEMENTARY INFORMATION

1. Further Information on RMB Equity Conversion Proposal

1.1 10% Cash Component

Add the following additional paragraph after sub-paragraph (b) in section 1.2 of the Prospectus:

“The 9% discount applied to the calculation of the cash payment representing 10% of your RMB Equity was chosen on the basis that it approximates the Company's weighted average cost of capital, having regard to its major funding sources namely dividends on B Class Shares, interest on Rice Bonds and interest on borrowed funds. This is an appropriate reflection of the time value of money from the Company's perspective as it has to fund the cash payment. Where this Prospectus refers to the time value of money in relation to the 10% discounted cash component, it should be interpreted in this context.”

1.2 B Class Shares Issued for Remaining 90%

Add the following at the end of the second last paragraph in section 1.3 of the Prospectus:

“During the period since its conversion from a co-operative, the Company has paid a dividend of 21.5 cents per share in respect of each of the 2006 and 2007 financial years and a dividend of 22.5 cents per share in respect of the 2008 financial year. The Company has recently announced a fully franked dividend of 22.5 cents per share in respect of the 2009 financial year.”

2. Key Issues Highlighted

The Company reiterates that, in making a decision as to whether to accept the Conversion Proposal, RMB Equity Holders should seek their own professional advice in light of their individual circumstances having regard to, amongst other things, their tax position, risk profile, liquidity preference and investment strategy. In particular, RMB Equity Holders should consider the following issues identified in the Prospectus and the KPMG Report:

- The taxation event that would have ordinarily occurred upon the repayment of the RMB Equity may be brought forward. This may have significant financial implications for individual RMB Equity Holders.
- RMB Equity Holders are being offered flexible consideration (B Class Shares and dividends) compared to a fixed cash payment upon maturity of the RMB Equity and their ability to convert B Class Shares into cash may be limited by illiquid trading on the NSX.

3. Table 9 of KPMG Report

Footnote 5 under Table 9 in the KPMG Report is incorrect and is replaced by the following:

“Cash component payable on 100 percent take up calculated as undiscounted cash component of \$919,518 divided by 1.09.”

CONSENT, APPROVAL AND SIGNING

Each of the Directors of Ricegrowers Limited has given and has not withdrawn his or her consent to the lodgement of this document.

KPMG Corporate Finance (Aust) Pty Ltd has given and has not withdrawn its consent to the reference to its independent expert's report in this document, in the form and context in which it is included.

Signed for the purposes of section 351 of the Corporations Act on the date of this Supplementary Prospectus by:



Gary Helou

Director