



The Rice Food Experts

25 March 2011

Dear Shareholder

Please find attached a letter from the Chairman of the Rice Marketing Board which outlines that RMB has agreed to extend the sole and exclusive export agreement to 30 June 2016 if the Ebro offer is approved by shareholders and implemented.

You will also find attached a media release which we intend to issue later today.

Following on from the RMB's decision, SunRice hopes to have the Scheme Booklet and Independent Expert's Report to shareholders in early May (subject to ASIC review and Court approval). The shareholder meeting to consider and vote on the Ebro transaction is likely to be held in late May. Further information on the venue and timetable will be provided in the Scheme Booklet.

Kind regards

Gerry Lawson
Chairman



The Rice Marketing Board

FOR THE STATE OF
NEW SOUTH WALES

Dear Ricegrowers' members

Proposed acquisition of Ricegrowers Limited (*Ricegrowers*) by Ebro Foods S.A (*Ebro*) (*Ebro Proposal*)

1. Background

In order to facilitate the implementation of the Ebro Proposal, Ricegrowers asked the Rice Marketing Board for the State of New South Wales (the **Board**) to provide:

- (a) its written consent to a "change in control" of Ricegrowers under the Sole and Exclusive Export Agreement (the **Export Agreement**);
- (a) confirmation that the Export Agreement would not be terminated by the Board as a result of any such "change in control"; and
- (b) confirmation that the Export Agreement would be extended and run for at least 5 more years from 30 June 2011.

2. Decision of the Board

The Board, which:

- 1. comprised only the independent directors;
- 2. was advised by its independent lawyers; and
- 3. obtained its own independent opinion in relation to the Sole and Exclusive Export Agreement for a further term of five years if the Proposed Scheme is successful is consistent with the main objective of the RMB of ensuring that Ricegrowers receive the best possible returns from rice sold outside Australia,

gave due consideration to the implications of the Ebro Proposal on growers in New South Wales. The Board considered each of the Ricegrowers' requests in light of its objects under the *Rice Marketing Act 1983* (NSW).

The Board decided to consent to the change in control and extend the term of the Export Agreement until 30 June 2016 subject to:

- Ricegrowers agreeing to certain amendments to the Export Agreement; and
- Ebro entering into a Deed of Guarantee and Undertaking in favour of the Board.

Both of these documents will come into effect if and when the Ebro Proposal is approved and becomes effective.

(a) Amended and Restated Export Agreement

The Export Agreement has been amended so that the Board's directors will no longer sit on the Ricegrowers' board of directors. However the Board will be represented on the newly formed Grower Advisory Board and have visibility of all materials provided to that Grower Advisory Board. The amended and restated Export Agreement also reflects the commitments Ebro has made to growers in terms of providing the Board with ongoing information and materials relating to the operations of Ebro and Ricegrowers, committing to the ongoing research and development for rice production in NSW and repaying the debt owed by Australian Grain Storage Pty Limited to the Board.

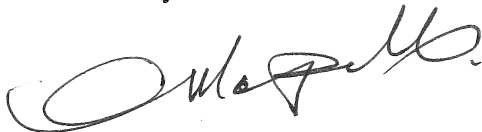
Additionally, the amended and restated Export Agreement gives the Board the power to terminate the Export Agreement or the exclusive nature of the Export Agreement for non-performance of Ricegrowers' repayment obligations.

(b) Deed of Guarantee and Undertaking

Ricegrowers (through its subsidiary Australian Grain Storage Pty Limited) has ongoing repayment obligations to the Board stemming from the sale of several of the Board's assets to Ricegrowers in June 2006. These payments are passed to growers under the Board's Capital Equity Rollover Scheme.

Ebro has entered into a parent company Deed of Guarantee and Undertaking to guarantee both these payment obligations and certain of the commitments Ebro makes in the Continuity Undertaking Deed which it will enter into as a part of the Ebro proposal.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Nicholas Papallo', with a large, stylized initial 'N'.

Nicholas Papallo OAM

Chair



The Rice Food Experts

MEDIA RELEASE

25 March 2011

RMB agrees to extension of exclusive export licence if Ebro offer approved.

SunRice today announced that the Rice Marketing Board for the State of New South Wales (RMB) has agreed to extend the exclusive export licence for another five years to 30 June 2016, if the proposed acquisition of SunRice by Ebro Foods S.A (Ebro) is approved by shareholders and implemented.

The RMB has provided the attached letter which sets this out, for the information of New South Wales rice growers. In that letter the RMB Chairman Mr. Nick Papallo has advised that the RMB formed a committee comprising only non-grower RMB members and sought its own independent opinion and legal advice to consider the implications of the proposed transaction on New South Wales rice growers.

SunRice welcomed the decision of RMB and the certainty it provides to New South Wales rice growers.

Should the Ebro transaction proceed:

- The RMB will be represented on the newly formed Grower Advisory Board.
- The amended Sole and Exclusive Export Agreement will incorporate commitments that Ebro has made to growers, including ongoing research and development for rice production in NSW.
- The agreement will also incorporate the SunRice groups' obligations to repay debt owed to the RMB.

Ebro has entered into a Deed of Guarantee and Undertaking to guarantee the payment obligations and the commitments outlined above. This commitment will provide certainty for the RMB with respect to its outstanding RMB Equity repayment obligations.

Following on from the RMB's decision, SunRice hopes to have the Scheme Booklet and Independent Expert's Report to shareholders in early May (subject to ASIC review and Court approval). The shareholder meeting to consider and vote on the Ebro transaction is likely to be held in late May. Further information on the venue and timetable will be provided in the Scheme Booklet.

Media inquiries: Liane Sayer Roberts 0427 728 232 – liane@saucecommunications.com.au

About SunRice

Ricegrowers Limited, now trading as SunRice, is Australia's leading branded rice food company, with products marketed in close to 60 countries around the globe. SunRice has annual sales of approximately AUD800 million. Information: www.sunrice.com.au