



28 June 2013

The Announcements Officer
National Stock Exchange of Australia Limited
Level 2, 117 Scott Street
NEWCASTLE NSW 2300

Dear Sir

Sublease to Queensland Sugar Ltd

Sugar Terminals Ltd (STL) announces that it has agreed on terms with Queensland Sugar Ltd (QSL) to sublease the Queensland bulk sugar terminals to QSL commencing on 1 January 2014.

Key terms of the agreement are:

- The term of the sublease is 5 years
- A commencing annual rental of \$44.86 million to be increased annually during the term by 2.5%
- Additional rental is payable if actual capital expenditure exceeds a nominated annual threshold.
- STL has the right to terminate the sublease if QSL's volume falls below a certain percentage of the total volume, and STL has the right to exclude a particular terminal if QSL's volume is less than an agreed percentage of the volume at that terminal in a season.
- The parties are required to agree and execute the sublease document within 30 days.

The current sublease provided a mechanism to determine rental for the 5 year period commencing on 1 January 2014. Due to a change in economic circumstances, that mechanism did not provide a satisfactory outcome and the company has been able to negotiate terms as set out above. Directors believe that this is a good outcome in the current economic conditions as it provides for an increase in the first year of 2.8% over the rental under the current sublease and there will be annual increases of 2.5% in each year thereafter. Directors estimate that this sublease should support the payment of a dividend of 6c per share in 2014 increasing progressively to around 6.8c per share at the end of the term.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R B Farquhar', is written over the printed name.

R B Farquhar
Company Secretary