



13 December 2004

ANNOUNCEMENT TO THE NSX

On Friday 10 December 2004 a statement of claim was received from Walter Construction Group (Water) naming Sugar Terminals Ltd (STL) as first defendant and Queensland Sugar Ltd (QSL) as second defendant. In August 2002, QSL, as agent for STL, entered into a contract with Walter for the construction of a new storage facility in Townsville.

The claim is for \$15.01 million as damages pursuant to the Trade Practices Act, or alternatively, various claims for moneys due under the contract amounting to \$18.96 million excluding interest.

The amount of the claim does not vary materially from Notice of Dispute claiming \$18.4 million disclosed as a contingent liability in the Financial Statements for the year ended 30 June 2004.

The claim is denied by STL and will be strenuously defended.

A handwritten signature in black ink, appearing to read 'R B Farquhar', is written in a cursive style.

R B Farquhar
Company Secretary