



5 December 2017

CIRCULAR TO GROWERS

Dear Growers,

A consultation meeting was held on 4 December 2017 at 3:30 p.m. with all current Bargaining Representatives invited to discuss the potential termination of the 2017 season. Mackay Sugar management updated the Bargaining Representatives as to the latest estimate and remaining available tonnes to crush. Further information was given regarding the daily available supply to the factories over the last five days, as well as the recent reductions in PRS and purity values.

Discussion ensued and as a result of this consultation it was communicated that Mackay Sugar would close Farleigh and Racecourse mills for the season, while continuing to operate Marian mill and the entire rail network to process all available cane at Marian. It was further agreed that the Company and Bargaining Representatives would reconvene on 6 December 2017 to discuss the supply and crushing viability going forward as long as weather conditions did not deteriorate. It was agreed that there will be a 48 hour notice regarding the closure of Marian mill when that decision is made.

It is important to note that for crushing operations to remain economic requires approximately 12,000 tonnes per day, which is in line with clause A.2.1 (b) in the Cane Supply and Processing Agreement regarding termination of the crushing season. It is in the best interests of both Mackay Sugar and the growers to process good quality cane of 12,000 tonnes per day at the current PRS and purity levels or more, to maintain viability and to get as much of the crop off as possible in this season. Mackay Sugar is committed to remain open for delivery of cane as long as the operation is not deemed uneconomic. Please stay in close contact with the Operations Centre to ensure that we understand your ability to supply as well as bin requirements as we move towards the close of the season.

Regards,

Jason Lowry
CHIEF EXECUTIVE