



20 July 2018

CIRCULAR TO SHAREHOLDERS AND GROWERS

Mackay Sugar enters agreement to sell Mossman Mill to Mossman and Tablelands Growers

Mackay Sugar is pleased to announce that it has entered into a put and call option agreement (**Option Agreement**) with Far Northern Milling Pty Ltd, an entity controlled by Mossman and Tablelands Growers, to facilitate a sale of the Mossman Mill.

The Option Agreement is subject to a number of conditions precedent including the buyer completing satisfactory due diligence and obtaining finance for the acquisition. The Option Agreement allows either Mackay Sugar or Far Northern Milling to exercise the option and require the sale of the Mossman Mill subject to satisfaction of these conditions.

Along with the Mossman Mill assets Far Northern Milling will also assume all employee entitlements and other historical obligations relating to the Mossman Mill as well as payment of nominal monetary consideration to Mackay Sugar.

Mackay Sugar Executive Chairman and CEO Mr Mark Day said "We are very happy to have reached agreement with the Mossman and Tablelands Growers to hand back control of the Mossman Mill. They are the most appropriate owners of the Mill. This transaction will enable us to concentrate on improving milling performance in the Mackay region".

The transaction is due to be completed shortly after the end of the 2018 crushing season.

Mark Day
EXECUTIVE CHAIRMAN and CEO