



2011 & 2012 Fixed Price Forward Contract

Formerly the Long Term Target Pool (LTTP)

What is it?

The Fixed Price Forward Contract is designed to enable Suppliers to capture a fixed price if the market trades to an A\$ target price, in whole multiples of 6 lots or 304.815 tonnes, ahead of the season in which that sugar is produced.

How Does It Work?

On any Brisbane business day from 1 December 2009 until 30 November 2010, a Supplier may submit an order to QSL by 4pm for 2011 and 2012 season tonnage. QSL will manage that order in the over-the-counter (OTC) market and will price the nominated tonnage once the OTC market reaches the Supplier's target price.

When will I receive payment?

Suppliers will receive advance payments from QSL in the season the sugar is delivered. The pattern of payments will include an initial delivery payment and periodic top-up payments. The final payment will be made in early July 2011.

What is QSL's starting strategy for this product?

QSL will price the tonnage in the OTC market on a best endeavours basis. QSL will price as much of the allocated tonnage as market conditions will allow (will meet market demand).

Futures pricing exposure from 1 December 2009 until 30 June 2010 is as follows:

Ratio	1	2	2	1
2011 Season	July 2011	October 2011	March 2012	May 2012
2012 Season	July 2012	October 2012	March 2013	May 2013

Target prices are on a gross \$A price per tonne actual basis for the ICE No.11 component of returns only.

QSL undertakes the physical marketing for this export tonnage.

Expected Return

Opportunities to capture returns above the cost of production if market trades to that \$A/t target price.

What are the potential risks associated with this product?

The main risk is that the market does not meet the supplier's target price, resulting in unpriced tonnage.



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How will these risks be managed?

Any tonnage not priced for a particular season at the end of each business day, will be carried forward to be priced at the next market opportunity provided that target order is not cancelled or withdrawn, up until 30 November 2010.

Suppliers can also amend tonnage and target price orders on any Brisbane business day from 1 December to 30 November in the year prior to crushing commencing for that season.

Past Performance

Estimated gross A\$ per tonne basis (to October 2009) including STL lease rental, marketing costs, storage & handling.

2009 (Year to Oct): A\$361 – 446 / tonne

2010: (forecast) A\$366 – 550 / tonne

2011 (forecast): A\$395 – 482 / tonne

SUPPLIER REQUIREMENTS

Min. Tonnage

Must be a whole multiple of 6 ICE No.11 Contracts (304.815 tonnes).

Priced Tonnage

Any tonnage priced under this product will be preserved and form part of the Supplier's elected Fixed Tonnage for that season.

Participation in Pricing

Any tonnage priced on any given day will be shared amongst participants who have unpriced tonnage for the same price target and season. This will be allocated on a pro-rata basis.

Changes to Target Price and Tonnage

Suppliers may amend target price orders until 4pm on any Brisbane business day from 1 December 2009 until to 30 November 2010.



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Unpriced Tonnage

If the supplier's target price has not been achieved by 30 November 2010:

For 2011 season the Supplier may allocate that tonnage to a 2011 current season pricing pool or schemes; or

For 2012 season the Supplier may elect to allocate that tonnage to a future season pricing pool or scheme.

Obligation to Supply

Tonnage committed by suppliers into this pool is a fixed obligation and a binding agreement. It must be delivered regardless of crop variations.