

## **OFFER TO PARTICIPATE IN 2007, 2008 AND 2009 QSL HEDGE POOL TRANCHEs**

Proserpine Co-operative Sugar Milling Association Limited (PCSMA) hereby advises that Tranche 2 has been opened for each of the 2007, 2008 and 2009 seasons.

### **Tranche Details for each Season**

Maximum aggregate tonnage actual sugar for tranche	2,032
Tranche opening date	19 <sup>th</sup> January 2007
Tranche closing date (latest)	9 <sup>th</sup> February 2007
Minimum Price per Actual tonne of sugar to be priced for the Tranche:	
2007	AUD325.00
2008	AUD335.00
2009	AUD335.00
Minimum Price per IPS tonne of sugar to be priced for the Tranche:	
2007	AUD313.41
2008	AUD323.05
2009	AUD323.05

### **Conditions of Tranche Offers**

Tranche participants must have executed a 'Grower Sugar Pricing Agreement Standard Terms and Conditions'.

These tranche offers are subject to the 'Grower Sugar Pricing Agreement Standard Terms and Conditions' executed by the tranche participant.

PCSMA reserves the right to close each tranche prior to the listed closing date.

Annexure A of the Grower Sugar Pricing Agreement Standard Terms and Conditions when completed for the tranche participant will indicate the maximum Actual tonnage of sugar eligible to the grower for pricing in the SMPS. PCSMA will provide on request an updated individual grower Annexure A to growers.

Tranche participants must ensure that the total tonnage of sugar being priced under the individual SMPS arrangement does not exceed the maximum eligible tonnage for the season calculated in Annexure A.

Tranche participants must ensure that their total actual tonnage of sugar being priced is in futures contract multiples (**lots**) that is, 50.8025 actual tonnes. The minimum grower commitment being 50.8025 actual tonnes of sugar or **one lot**.

PCSMA will allocate tonnage against Grower orders on a "first in first out" basis.

Should orders received up to the maximum actual tonnage for the tranche exceed actual pricing transacted for the tranche, then the priced tonnage will be allocated pro-rata over the orders received for the tranche.

The Grower may withdraw their allocation in the open tranche provided the tonnage has not been priced.

In the event that all sugar nominated to be priced in any of the QSL Hedge Pool tranches is not priced by 30<sup>th</sup> April 2007 for the 2007 season or by 30<sup>th</sup> September 2007 for the 2008 season and by 30<sup>th</sup> September 2008 for the 2009 season then PCSMA may close the tranches for pricing purposes. Growers will be notified accordingly.

**Nomination of Actual tonnes of sugar to be priced**

To participate in any or all of these tranches please specify in the space provided below the Actual tonnage for the tranche or tranches you wish to participate in.

**Number of Actual tones of sugar to be priced by tranche**

2007 \_\_\_\_\_ **Lots** at a minimum price of AUD325.00 per tonne.

2008 \_\_\_\_\_ **Lots** at a minimum price of AUD335.00 per tonne.

2009 \_\_\_\_\_ **Lots** at a minimum price of AUD335.00 per tonne.

**1 Lot = 50.8025 actual tonnes.**

**Your Preferred Contact Details**

E-mail address: \_\_\_\_\_ Fax number: \_\_\_\_\_

**Execution**

I / We hereby confirm my/our agreement for the Actual tonnes of sugar listed above to be priced at not less than the Actual per tonne relevant tranche price/prices listed above for the tranche/tranches indicated. I / We also acknowledge and agree to the Conditions of Tranche Offers set out in this offer document.

**GROWER NUMBER:** \_\_\_\_\_

**GROWER NAME:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_