



Olam Australia Pty Ltd ACN 124 391 975
Offer for Queensland Cotton Holdings Limited
First Supplementary Bidder's Statement

1 Introduction

This document is a supplementary bidder's statement under section 643 of the Corporations Act 2001 (Cth). It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by Olam Australia Pty Ltd ACN 124 391 975 (**Olam Australia**) in relation to its off-market takeover offer (**Offer**) for all the Shares in Queensland Cotton Holdings Limited ABN 83 010 937 541 (**Queensland Cotton**). This First Supplementary Bidder's Statement supplements, and should be read together with, the bidder's statement for Queensland Cotton Shares issued by Olam Australia dated 30 March 2007 (**Original Bidder's Statement**).

2 Overview

In this First Supplementary Bidder's Statement, Olam Australia supplements the Original Bidder's Statement to take into account:

- (a) an increase in the consideration offered;
 - (b) waiver of all outstanding bid conditions; and
 - (c) shortening of time for payment.
- Accept now and be paid within 5 days.

3 Increase in consideration offered for Queensland Cotton Shares

Olam Australia has changed the terms of the Offer by adding an additional cash payment of \$0.90 for each Queensland Cotton Share.

Now, Queensland Cotton shareholders will be offered \$5.65 for each Queensland Cotton Share held.

Further, Olam Australia has announced that if it acquires a relevant interest in at least 75.1% of Queensland Cotton Shares pursuant to this Offer it will further increase its offer price to \$5.90 per Share.

4 Olam Australia's Offer remains the superior offer for Queensland Cotton

While Louis Dreyfus has announced a takeover offer of \$5.31 per Queensland Cotton Share, the increase in Olam Australia's Offer ensures Olam Australia's Offer is the highest offer available to Queensland Cotton shareholders.

Olam Australia has increased its offer price for Queensland Cotton to \$5.65 cash per Share. Olam Australia will increase its offer price by a further 25 cents to a total of \$5.90 cash per Share if Olam Australia acquires a relevant interest in at least 75.1% of Queensland Cotton Shares. By setting the threshold for the \$5.90 price at 75.1% instead of 90%, the payment of a higher price is no longer dependent on whether or not Louis Dreyfus accepts Olam Australia's Offer.

Olam Australia's increased Offer is 34 cents more than Louis Dreyfus's offer price of \$5.31 per Share.

As a result of Olam Australia's increased Offer, the Queensland Cotton Board unanimously recommends that Queensland Cotton shareholders accept Olam Australia's Offer (in the absence of a superior proposal). The Directors of Queensland Cotton have announced that they will immediately accept Olam Australia's increased Offer in respect of all Queensland Cotton Shares they personally own or control.

Olam Australia encourages Queensland Cotton shareholders to accept its revised Offer as soon as possible because Olam Australia's Offer:

- is superior to Louis Dreyfus' inferior proposal;
- is unanimously recommended by the Board of Queensland Cotton in the absence of a superior proposal;
- Queensland Cotton Directors will immediately accept the Increased Offer in respect of all Shares they personally own or control;
- is open, unconditional and capable of acceptance immediately with payment to be made within 5 days of acceptance; and
- is in line with Olam Australia's desire to help Queensland Cotton realise its full potential while maintaining its uniquely Australian heritage through retaining its name, Brisbane head office and existing management team.

5 Sources of consideration

As a consequence of the change to the consideration offered, the maximum cash amount which would be payable by Olam Australia pursuant to the Offer if all shareholders accepted the Offer is \$166,455,879.90, together with transaction costs.

The increase in consideration is being funded under the terms of the intra group facility between Olam Australia and Olam International.

Olam International has internal cash reserves and cash equivalents as at 31 December 2006 of approximately S\$243 million. Olam International also has substantial undrawn credit facilities that may be used to fund the Offer.

6 Olam's intentions for Queensland Cotton

The intentions of Olam Australia and Olam International as set out in clause 6 of the Bidder's Statement continue to apply except that in the event Queensland Cotton becomes a controlled entity of Olam Australia but Olam Australia cannot proceed to compulsory acquisition then Olam Australia's current intention is now to review whether it is in the best interests of Queensland Cotton to maintain Queensland Cotton's listing on the ASX.

If, as part of this review, the directors of Queensland Cotton (including any Olam Australia nominees/appointees) determined listing was not in the best interests of Queensland Cotton, Olam Australia would seek to procure the delisting of Queensland Cotton from the ASX.

7 Takeover bid implementation letter

Olam Australia and Queensland Cotton have signed a supplementary letter to the takeover bid implementation agreement (such letter dated 28 May 2007) which provides:

- Olam Australia will increase offer price to \$5.65 and to \$5.90 if Olam acquires a relevant interest in at least 75.1% of the Queensland Cotton Shares;
- the Board of Queensland Cotton will immediately recommend that shareholders should accept Olam Australia's increased Offer in the absence of a superior proposal;
- Queensland Cotton must immediately pay Olam the \$1.34 million break fee claimed on 23 May 2007; and
- Queensland Cotton's agreement to pay an additional \$253,916 break fee if a Director of Queensland Cotton withdraws, revises, revokes or qualifies his recommendation or a third party acquires 50% or more of Queensland Cotton's Shares.

8 Offer unconditional and payment within 5 days

Olam Australia has also waived all remaining defeating conditions to the bid. It is now unconditional in all respects.

Anyone who accepts the Offer will be paid within 5 days.

9 Close of offer period

On 23 May 2007, Olam Australia has extended the offer period so that it is now scheduled to close at 7.00pm (Brisbane time) on 15 June 2007.

10 Other notices

Unless the context otherwise requires, terms defined in the Original Bidder's Statement have the same meaning as in this First Supplementary Bidder's Statement.

A copy of this First Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

11 Further information

For further information in relation to the matters set out in this First Supplementary Bidder's Statement, Queensland Cotton shareholders can contact the Olam Offer Information Line on 1300 135 403 (Australian callers) or +61 2 8280 7482 (overseas callers).

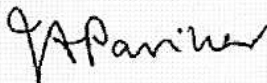
12 Approval

This document has been approved by a unanimous resolution passed by the directors of Olam Australia Pty Ltd.

Dated: 28 May 2007

Signed

for and on behalf of Olam Australia Pty Ltd



Jagdish A.P. Parihar

Director