

MELBOURNE SITE ANALYSTS TOUR

Ethanol Distillery, Yarraville

31 March 2009

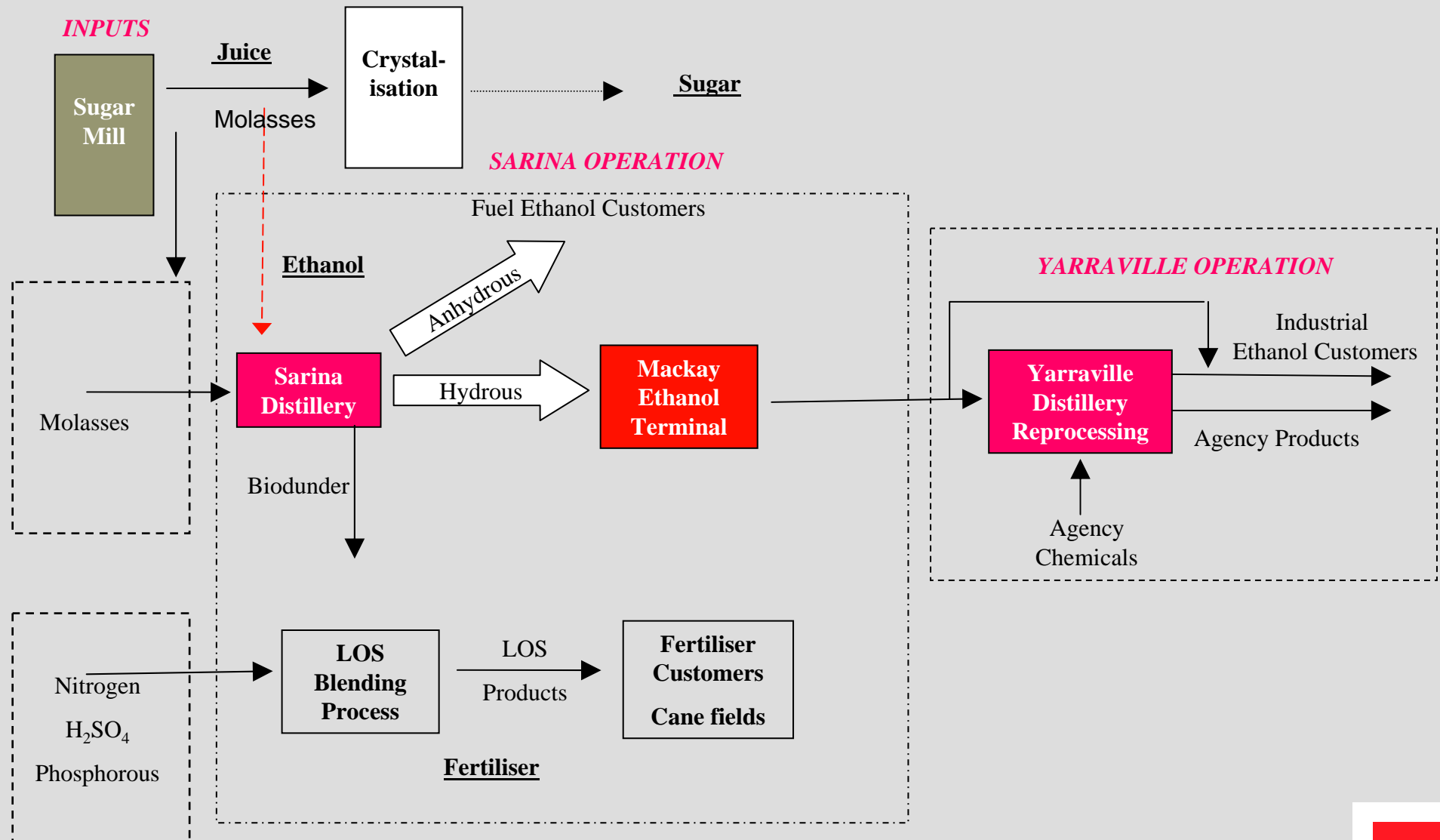


CSR ETHANOL'S SUSTAINABLE CYCLE

- CSR Ethanol is a renewable energy business with two main product streams:
- **Ethanol products** - supplying the industrial and fuel markets
- **Fertiliser products** – Bio-
dunder™ a process co-product which is value added into a complete Liquid fertiliser



YARRAVILLE – PART OF CSR'S ETHANOL PROCESS

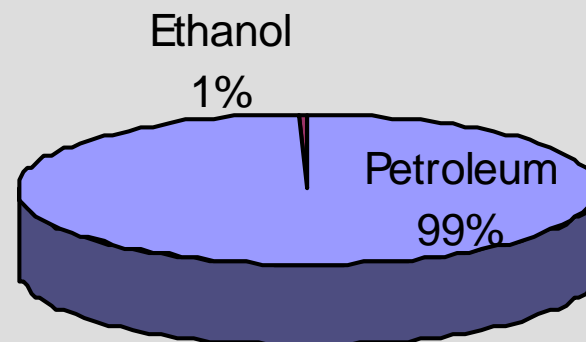


RENEWABLE FUEL GROWTH

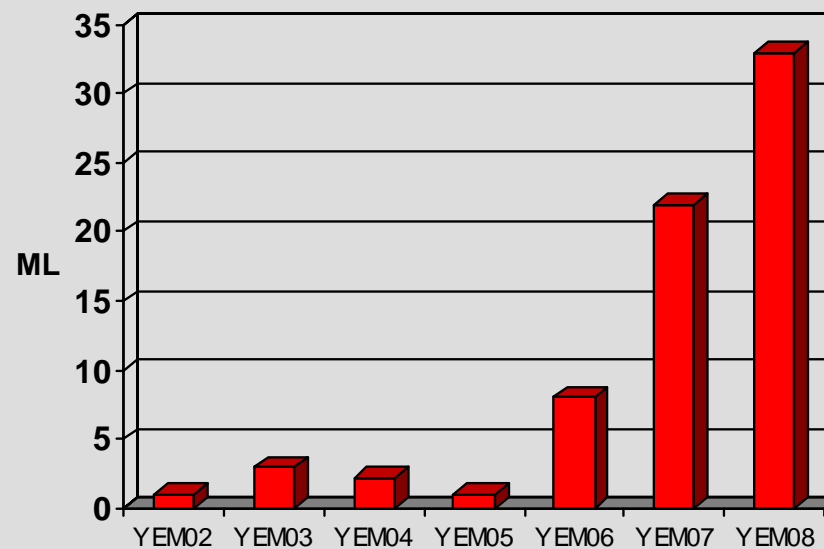
- A large market opportunity exists for liquid fuels that can use existing infrastructure and reduce greenhouse emissions
- CSR Ethanol is the second largest Australian producer of fuel ethanol with volumes growing 500% the last 3 years
- CSR Sugar which produces about 40% of Australia's sugar has the potential to make up to:
 - 100 ML of ethanol using molasses
 - 1 billion litres of ethanol using cane

Australian Fuel Ethanol Market Share 200 ML

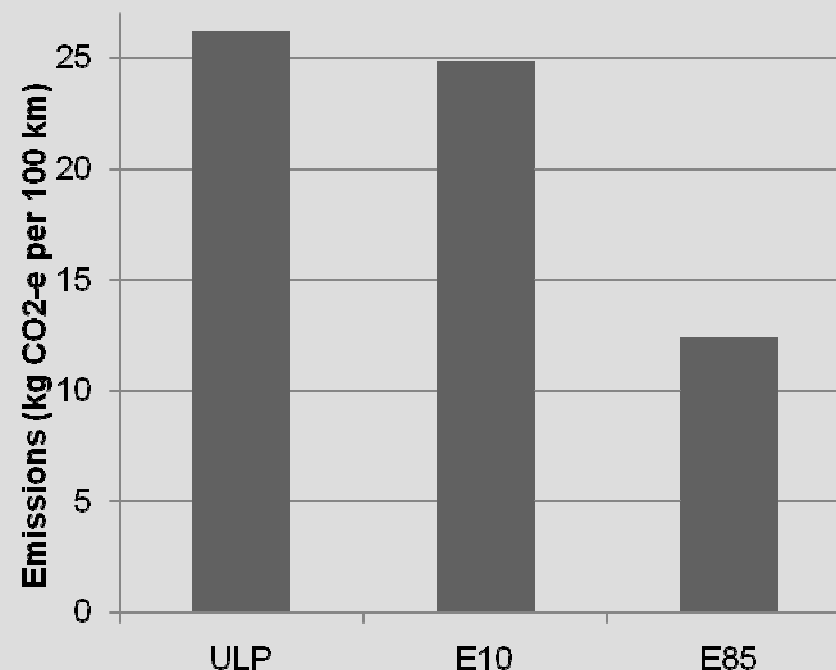
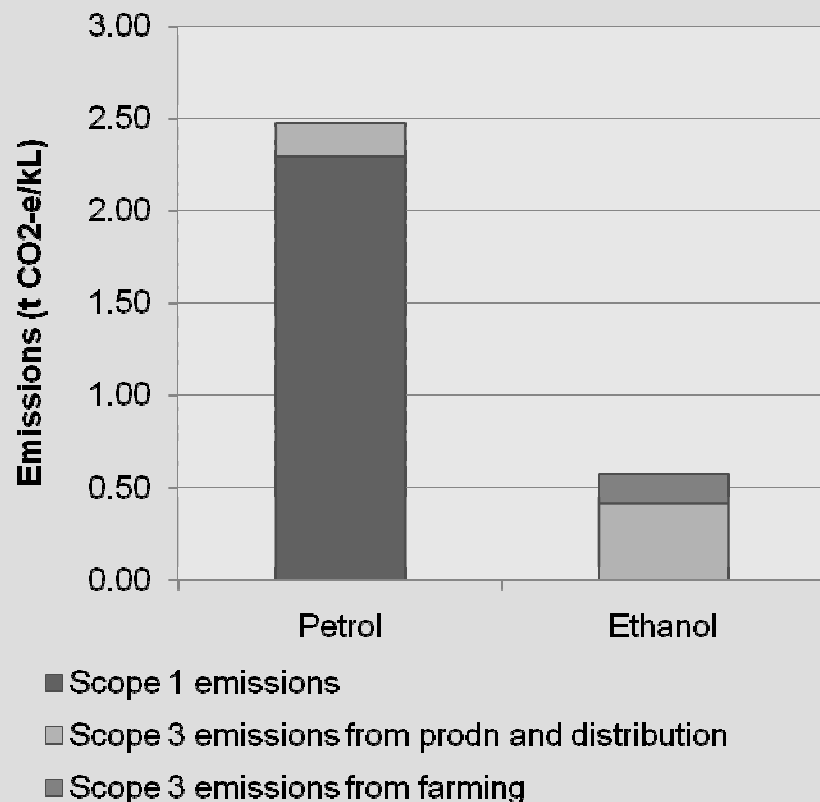
Total fuel market ~20 billion litres



CSR Fuel Ethanol Sales



CSR ETHANOL – CO₂ ABATEMENT FROM A NON FOOD SOURCE



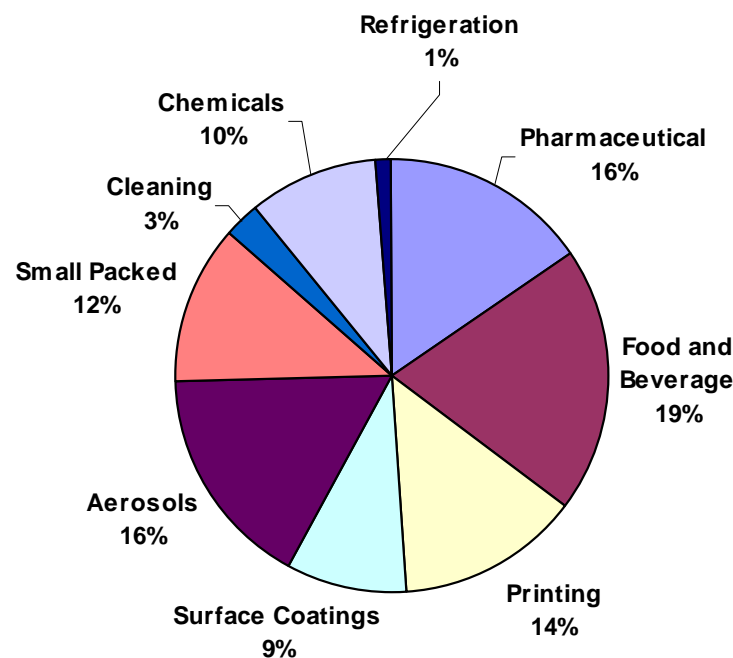
Sources: Energetics 2007

- One litre of CSR Ethanol produces less than half the CO₂ emissions of one litre of petrol as measured by a full lifecycle analysis.
- CSR Ethanol is derived from molasses which is a by-product of sugar production. Molasses is not a food staple.

STRONG POSITION IN THE AUSTRALIAN INDUSTRIAL ETHANOL MARKET

- CSR Ethanol has been supplying ethanol into this market for over 100 years and currently has the leading market share
- CSR supplies the following key market sectors
 - Food and Beverage
 - Pharmaceutical
 - Cosmetics
 - Paints
 - Inks
 - Cleaning
 - Manufacturing

Australian Industrial Ethanol Market By Sector



Source: CSR estimates

BIO-DUNDER™ – A POTASSIUM FERTILISER SOURCE

- Bio-dunder™ is the end product from molasses fermentation for ethanol production
- Bio-dunder™ comprises of vegetable matter containing Potassium and traces of sodium, nitrogen, calcium, magnesium and phosphorus
- Bio-dunder™ is certified as organic and has been granted “Beneficial Use” status by the EPA
- Liquid One Shot – (LOS)™ formed by topping up nutrients with urea and phosphate



SIGNIFICANT OPPORTUNITIES FOR VOLUME GROWTH IN LIQUID FERTILISERS

- Key advantages of Liquid Bio-dunder™ are:
 - Recycling nutrients back into soils
 - Nitrogen volatilisation is reduced in LOS™ products
 - Rapid uptake by plants
 - Cost competitive - includes delivery & application
- Significant opportunities for growth in market share exist for liquid fertilisers
- Bio-dunder™ fertiliser is now precision applied using Variable rate application technology delivering cost savings to our customers
- Potash price, the key value driver for fertilizer business, remains at strong levels, while urea and DAP prices have weakened along with other commodities



UPGRADE OF FUEL ETHANOL CAPACITY ON TRACK

- Upgrade of Sarina distillery to significantly increase fuel ethanol production capacity remains on track for commissioning mid 2009
- Current total capacity for up to 60ML comprising:
 - 38ML of Fuel Grade ethanol (limited by de-hydration capacity)
 - 22ML of Industrial Ethanol
- Project will install dehydration unit to convert all production to fuel grade ethanol
- Additional volume already in strong demand by Australian fuel companies for blending into fuel across Australia
- Builds on CSR's previous successful step into the fuel market in 2006
- Part of overall CSR Sugar strategy to increase recurring earnings and further develop renewable energy capacity

SOLID FUNDAMENTALS FOR GROWTH

- CSR Ethanol continues to have strong growth opportunities in Fuel ethanol
- Fertiliser returns are positively supported by forecast agricultural commodity outlook
- Solid reputation for quality and service underpins industrial market performance
- Sugar Juice to Ethanol growth potential exists should government policy and a market develop for CO₂ abatement in the liquid fuels market

ETHANOL EBIT

