THIRD SUPPLEMENTARY TARGET'S STATEMENT

This document is a supplementary statement to the Target's Statement dated 3 July 2006 (**"Original Statement"**) by So Natural Foods Australia Limited (ABN 41 002 814 235) ("**So Natural**") which was lodged with ASIC on 3 July 2006 in response to the takeover offer by Arrovest Pty Limited (ABN 98 117 953 205) ("**Arrovest**") for all of the fully paid ordinary shares in So Natural which it does not already own.

This Third Supplementary Target's Statement supplements, and is to be read together with, the Original Statement, the First Supplementary Target's Statement dated 18 July 2006 and the Second Supplementary Target's Statement dated 28 July 2006.

Unless the context requires otherwise, defined terms in the Original Statement have the same meaning in this Third Supplementary Target's Statement.

Thorpedo Foods Shareholders Agreement

As set out in Section 5.7(b) ("Thorpedo Foods Shareholders Agreement") of the Original Statement, So Natural, through its wholly-owned subsidiary, Thorpedo Foods Group Pty Ltd, ("**TPG**") holds 50.01% of the shares in Thorpedo Foods. As a result of Arrovest's voting power in So Natural increasing to more than 50% and triggering a change in control of So Natural under the Thorpedo Foods Shareholders Agreement, the Thorpe Entities may require TPG to offer its shares in Thorpedo Foods to the Thorpe Entities, in accordance with the procedure set out in paragraph 5.7(b) of the Original Statement. So Natural notified the Thorpe Entities of the change in control on 28 July 2006 and sought their consent to the actual change in control of So Natural occurring as a result of the Offer. Under the Thorpedo Foods Shareholders Agreement, it is the Thorpe Entities' election whether or not to give the consent.

As at the date of this Third Supplementary Target's Statement, the Thorpe Entities have not provided a formal response to So Natural, however, the Directors have no reason to believe this consent will not be forthcoming.

Interests of Directors in securities of So Natural

As set out in Section 4.2 ("Interests of Directors in securities of So Natural") of the Original Statement, the number of So Natural Shares held by Australian Food Holdings Pty Ltd ("**AFH**"), Nepeal Pty Limited ("**Nepeal**"), Nepeal Trading Pty Limited, Demeta Pty Limited, Renilton Pty Limited and Christopher Grubb (in his own personal capacity) were included in determining the number of So Natural Shares Messrs Christopher Grubb and Graham Reaney had a relevant interest in. As at the date of the Original Statement, those shareholdings were aggregated as a result of Messrs Grubb and Reaney's intention to vote consistently on issues concerning So Natural Shares.

As at the date of this Third Supplementary Target's Statement, AFH and Nepeal no longer have a relevant interest in So Natural Shares and Mr Graham Reaney has informed So Natural that he no longer intends to vote consistently with Mr Grubb in relation to the So Natural Shares in which they respectively have relevant interests. Accordingly, So Natural Shares in which Mr Grubb has a relevant interest in will no longer be counted in calculating Mr Graham Reaney's interests in So Natural Shares.

Accordingly, Mr Graham Reaney has a relevant interest in 14,005* So Natural Shares as at the date of this Third Supplementary Target's Statement.

* These shares are held by Nepeal Trading Pty Ltd and Renilton Pty Ltd. G Reaney is a director and shareholder in both these companies. Mr G Reaney does not directly hold any So Natural Shares.

Date of Third Supplementary Target's Statement

This Third Supplementary Target's Statement is dated 1 August 2006, which is the date on which it was lodged with ASIC.

Enquiries

If you have enquiries in relation to this document or your shareholding in So Natural, please submit your query in writing to Michael Jenkins, Company Secretary, at 80 Box Road, Taren Point NSW 2229, by fax on +61 2 9525 5406 or by email to companysecretary@sonatural.com.au or consult your financial or other professional adviser.

Signed pursuant to a resolution passed by the current directors (other than Mr Ron Perich and Mr Anthony Perich) of So Natural Foods Australia Limited on 1 August 2006. Mr Ron Perich and Mr Anthony Perich did not participate in the Board meeting at which it was authorised.

Perry Gunner
Chairman
So Natural Foods Australia Limited

A copy of this statement was lodged with the Australian Securities & Investments Commission ("**ASIC**") and sent to Australian Stock Exchange Limited ("**ASX**") and Arrovest on 1 August 2006. None of ASIC, ASX or any of their respective officers take any responsibility for the contents of this statement.