

PrimeAg Australia Limited

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PRIMEAG AUSTRALIA LIMITED EARNS INAUGURAL PROFIT

PrimeAg Australia Limited today announced a profit after tax of \$1.955m covering the period from incorporation (12 October 2007) to 30 June 2008.

PrimeAg was listed on the ASX on 24 December 2007, following successful completion of a \$300m capital raising. In the period since listing, the company has undertaken a rural property acquisition and improvement program, and commenced its principal business of crop production.

Mr. Peter Corish, PrimeAg's Executive Chairman, said that the profit for the period is in line with expectations for this initial period.

"In the formative stages of the company, earnings comprised a mix of interest income, forward commodity sale mark-to-market adjustments, and net returns from summer crops which had been planted by the vendors on several of the properties acquired under our property acquisition program" Mr. Corish said.

"The property acquisitions were completed part way through the seasonal cropping cycle, and the result for the period to 30 June 2008 does not incorporate returns from any crop for which the company had control for the full crop cycle. As such, cropping returns in this period provide no clear guide to likely returns on an ongoing basis, but are encouraging" Mr. Corish added.

"Following completion of the capital raising and listing on 24 December 2007, we embarked on the program described in the prospectus to assemble a portfolio of quality cropping properties in selected areas of Queensland and New South Wales, and we have made excellent progress to date" Mr. Corish said.

"The rigorous property selection and evaluation criteria developed at the outset which is set out in detail in the prospectus has been implemented, and has provided clear guidance in the identification of suitable properties for incorporation into our portfolio, and in a timeframe somewhat faster than initially envisaged" Mr. Corish added.

Mr. Corish said that approximately 80% of the funds raised have been invested in cropping properties and importantly, water access entitlements to support the irrigated cropping areas which comprise around 25% of the total land holding.

“Reaching this point in creation of the asset base of the company has been one of the major outcomes for the period” Mr. Corish said.

PrimeAg’s Chief Executive Officer, John Stewart said that a further notable achievement has been the development of the hub property operations and management structure at all five (5) investment areas – Darling Downs, Emerald, Goondiwindi, Moree and Gunnedah.

“This structure is central to achieving climatic risk diversification and the efficiencies of scale, and in turn supporting the company’s objective to be in the top 20% of financial performance for comparable Australian agricultural enterprises” Mr. Stewart said.

“Additionally, we have been successful in building skilled and enthusiastic management teams at all hubs whose collective experience will be a valuable resource in tackling the challenges involved in efficient crop production” Mr. Stewart added.

Mr. Corish said that prospects for 2008/9 are encouraging, and given reasonable seasonal conditions, the full year result is anticipated to be in line with the indicative first year performance discussed in the prospectus.

“Suitable planting rains in June enabled the planting of 10,000ha of dryland winter crop. Additionally, 4,800 ha of irrigated winter crop have been planted and sufficient irrigation water is available to meet the requirement of this crop through to harvest” Mr. Corish said.

He added that these crops will be harvested in the October / November period, however adequate rain during early Spring is essential to achieving the full potential of the dryland crop.

“Looking further ahead, we are planning for summer crop plantings of 6,200 ha of irrigated and 5,500 ha of dryland area, mainly sorghum and cotton, however water availability and overall seasonal conditions will be the major determinants in the success of this crop” Mr. Corish said.

PrimeAg has not declared a dividend for the 30 June 2008 period, which is in line with the 2008 dividend intentions disclosed in the prospectus .

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