

22nd December 2007

**PRIMEAG AUSTRALIA LIMITED RAISES \$300 MILLION AND
CLOSES FULLY SUBSCRIBED**

PrimeAg Australia's share offer has closed today fully subscribed having successfully raised \$300 million, issuing 150 million shares at an Offer Price of A\$2.00 per share. The company will list on the Australian Securities Exchange, under ASX code **PAG** on Monday 24 December 2007.

Chairman, Mr Peter Corish said the float had been well supported globally, with investors from the UK and Asia, as well as Australia, taking stock in the float

"PrimeAg's unique exposure to the growing demand for soft commodities has proved attractive to investors", he said.

The soft commodities market is being driven by strong economic and population growth in developing countries, demand for food and the development of plant-based energy production in biofuels.

PrimeAg will own and operate quality Australian agricultural land and water entitlements with a view to producing income and long-term capital growth through the production of soft commodities, such as wheat, sorghum, chickpeas and cotton.

The company's strategy is to achieve a diversified soft commodity exposure by establishing farming "Hubs" across a number of different geographic regions in Northern NSW and Queensland.

Mr Corish said the diversification strategy would minimize the risks associated with the rural sector

"The PrimeAg "Hub" structure should capture significant economies of scale advantages, and allow a more flexible approach to farming operations that should help smooth fluctuations and provide stability of earnings.

The proceeds of the Offer are being applied primarily for the acquisition of properties, incidental costs of property acquisitions, and listing costs.

At listing PrimeAg will have properties with a combined value of almost \$80 million, and also a contract to acquire 2,000 megalitres of water entitlements at Emerald for \$3.9 million.

Mr Corish said he was optimistic about the outlook for PrimeAg, and was encouraged by the recent rain, which has fallen in the Emerald and Goondiwindi regions, and the subsequent improvement in water allocations and the soil moisture profiles. He also noted the strength of world wheat and other grain prices.

Mr Corish said discussions on the acquisition of additional properties were continuing, with announcements expected early in 2008.

The offer was fully underwritten by ABN AMRO Morgans, Southern Cross Equities and Grange Securities.

Board of Directors

The Board of Directors comprises Mr Peter Corish (Chairman), Mr Roger Corbett AM (Deputy Chairman, Non-Executive Director), Mr Steve A Williams (Non-Executive Director), Mr David Trebeck (Non-Executive Director) and Mr Stephen R Williams (Non-Executive Director).

PrimeAg has recently appointed a Company Secretary, Mr. Roger Grimley.

– Ends –

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