



7th February, 2012

The Manager
Company Announcements
Australian Securities Exchange – ASX Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000

Via E-Lodgement

Dear Sir / Madam,

PrimeAg Australia Limited

Attached for the market's information is a Company Announcement.

Samantha Macansh

Company Secretary



Queensland/NSW Flood Damage to PrimeAg Minimal to Date

This market update is provided following the significant rainfall and widespread flooding that has been occurring in Northern NSW and southern Queensland, including in the Gwydir and Namoi River valleys where PrimeAg farms are located (Gunnedah and Moree hubs), and at Emerald where the Fairbairn dam is spilling with moderate flooding expected downstream (where PrimeAg farms are also located).

PrimeAg CEO, Mr. Peter Corish, said today "I am pleased to report that PrimeAg infrastructure and crops (after initial assessment) have so far escaped major flood damage. There has been some repeat inundation (following an earlier period of heavy rainfall in November) in small areas of summer crops in irrigated fields at PrimeAg's farms at Garah, west of Moree, but the company's substantial investment in flood mitigation and pumping infrastructure in recent years appears to have paid dividends.

"All staff are safe and equipment appears to have escaped significant damage."

"The above average rainfall has replenished headwater reservoirs in the Gwydir (Moree), Macintyre (Goondiwindi) and Nogoa (Emerald) River systems. It has also enabled PrimeAg to fill its farm reservoirs at most locations. As a result, PrimeAg now has ample water supplies for planned FY13 irrigated crops at most locations, and its farms at Emerald, Goondiwindi and Moree now have ample water for FY14 irrigated crops as well."

"Our dryland cotton has benefitted from the recent rain and has the potential to perform well against forecast production", Mr. Corish added.

"For obvious logistical reasons, full financial analysis of any weather damage to summer crop production and quality across all PrimeAg farms is not yet possible. In addition, weather over the remainder of the season until harvest (likely to extend between mid March and early June) will, as always, influence crops yields and quality. We would now like to see a period of sunny, hot weather as harvest approaches.

Mr. Corish said "PrimeAg is fortunate that only around 5% of the irrigated cotton crop was reaching maturity when the recent rain commenced, which should lessen the likelihood of major quality downgrades.

PrimeAg will provide more definitive updates when it is in a position to do so," Mr. Corish concluded.

For further detail contact:

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