15 February, 2013

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 (ASX: PAG)

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

Peter Corish

Managing Director/CEO

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ASX Announcement

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PrimeAg Sale of Property Portfolio and Water Entitlements to TIAA-CREF Global Agriculture LLC

Sale of PrimeAg property portfolio and water entitlements for approximately AUD$125 million in cash

SYDNEY - PrimeAg Australia Ltd ("PrimeAg"), (ASX:PAG) today announced that it had agreed to the sale of the Crooble aggregation, the MacIntrye Downs, Mullala and Milchengowrie properties with an option to sell one of either the Lower Box or Warra properties to TIAA-CREF Global Agriculture LLC, an investment company managed by an affiliate of TIAA-CREF[1] (the "Transaction").

Assuming the option to sell either Lower Box or Warra is exercised prior to 30 April 2013, the Transaction value of AUD$123 - AUD$126 million, represents a premium to book value over approximately 60% of PrimeAg's portfolio of land and water entitlements, which is at a small discount to independent market valuations and equates to a value of approximately 46 to 47 cents per PrimeAg share.

The Transaction is subject to approvals from PrimeAg shareholders and the Foreign Investment Review Board ("FIRB") and the Transaction is expected to close on 31 July 2013 following completion of harvest of the 2012/13 summer crop.

The Transaction excludes the Emerald hub, the Lakeland Downs and Kurrajong Hills properties and the non-property assets, such as the summer crop across the entire portfolio, its operating plant and equipment and management company. PrimeAg remains in discussions with other parties in relation to the sale of its remaining assets and is hopeful of concluding these sale discussions by mid year. Proceeds from sale will be reduced by any costs incurred, including potential wind down costs and a small retention amount required by contractual undertaking to be held until December 2013.

The PrimeAg Board has resolved to distribute available excess cash and the proceeds from the sales as soon as practical and anticipates an initial distribution post shareholder approval in mid April 2013, followed by a subsequent distribution of sale proceeds in early August 2013. These distributions are in addition to the 15 cents per share distributed earlier in the financial year in relation to the sale of Inner Downs and North Star properties.

[1] TIAA-CREF Alternatives Advisors, LLC, manages the company

The PrimeAg Board will issue a notice of meeting, Explanatory Memorandum and other relevant documents for shareholder approval of the sale and the prospective distribution of available excess cash holdings. These documents will contain additional information in relation to the Transaction and cash distribution, including an estimate of net proceeds to be distributed to PrimeAg shareholders. Indicative timing in relation to the Transaction is set out below:

- Notice of Meeting - early March 2013
- General Meeting - early April 2013
- Distribution of excess cash balances - mid April 2013
- Settlement and completion of the Transaction - 31 July 2013
- Distribution of Transaction proceeds - early August 2013
- Distribution of the proceeds from the remainder of the assets will depend upon the timing of their sale

The PrimeAg Board believes the Transaction is in the best interests of shareholders and recommends that PrimeAg shareholders vote in favour of the Transaction at the shareholder meeting.

”We are pleased to be able to return capital to shareholders through this strategic sale of assets at a premium to book value", said Roger Corbett, Chairman, PrimeAg.

For further enquiries please contact:

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