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Media Release

EYRE PENINSULA GRAINS JOINT VENTURE TO BENEFIT EP GROWERS

Rudall, South Australia (Wednesday 27th February 2008): A new Eyre Peninsula grains joint venture announced today is set to capitalise on rapid industry changes, by joining together farmers and grains industry risk management and marketing professionals.

Eyre Peninsula farmers are the key beneficiaries of a new innovative venture to be known as 'EP Grain'. Leading Australian commodity management firm, Emerald, and the South Australian grower owned company FREE Eyre Ltd made the announcement today at the AGM of FREE Eyre Ltd in Rudall, on the Eyre Peninsula.

FREE Eyre Ltd Chairman, Michael Tilley, said the grower owned company has been engaged in a detailed analysis of the best way to facilitate Eyre Peninsula growers to benefit directly from the rapidly changing grain marketing environment.

"The FREE Eyre board considered a wide ranging set of options and criteria as a part of our due diligence in considering the joint venture with Emerald. Issues such as past performance, financial and risk capacity, alignment of objectives, culture and values, and geographical footprint were all part of the process we considered. In all these areas Emerald performed well and their drive and objectives are consistent with those of FREE Eyre and our growers"

"The Emerald business model is built around strong partnerships with growers and as a grower owned and focused company FREE Eyre's objectives and those of Emerald are well aligned. The EP Grain joint venture is an innovative model that will allow our growers to participate directly in the opportunities created by deregulating grain markets".

Emerald Chairman Alan Winney, said the EP Grain joint venture is consistent with Emerald's strategy to work in partnership with Australian grain growers in specific regions. "Emerald continues to build on our regional partnership strategy which has seen us link with various grower organisations in regions around Australia. We have significant ties in Western Australia through the United Farmers-Ravensdown Cooperative, a market where we are now the number three wheat receiver in that state".



"The EP Grain joint venture is similar to Emerald's joint venture in Victoria, SQP Pty Ltd, where we have joined forces with Victorian co-operative Southern Quality Produce. These linkages bring Emerald's product development, risk management and grains marketing capability directly to growers" Mr Winney said.

"The timing of this Joint Venture could not be better, never before have we seen the confluence of events impacting growers and the grain industry. Every day we see global prices braking new ground, global demand continues to grow whilst we have the added dimension of impending changes in the export grain marketing arrangements in Australia. The opportunities for Australia's grain growers this coming year as a exciting as they have ever been" Mr Winney said.

The joint venture Board will comprise three members from Free Eyre and three representatives from Emerald. Mike Chaseling from Emerald will Chair the new company with well known Eyre Peninsula identity Adrian Glover as Deputy Chairman. It is anticipated that the joint venture will be fully operational by July 1st 2008. From the 1st March Emerald will provide a range of new crop services to Eyre Peninsula farmers, which will then be assigned to the joint venture. Emerald's existing arrangements with the National Rural Independent businesses on the Eyre Peninsula, managed by Carrs Seeds at Cummins, will also continue and be transferred to the joint venture.

EP Grain Chairman Mike Chaseling said wheat would be a real priority for the Joint Venture but pointed to Emerald's new status as a barley exporter from South Australia as a benefit that would immediately flow into the joint venture. "Emerald has recently been granted approval by the ESCOSA as an authorised barley exporter from SA . The EP Grain joint venture will benefit directly from this capability. Emerald's strategy squarely places the farmer as our customer and that is why it is so important for us to have farmers as our partners, where we can share the benefits and capture the opportunities together"

'EP Grain Pty Ltd' will be a 50/50 joint venture between the two companies and will focus on delivering grain marketing services to growers on South Australia's Eyre Peninsula. The joint venture will establish an office in Port Lincoln, further reinforcing the company's commitment to the Eyre Peninsula and in keeping with FREE Eyre's purpose of building new commercial opportunities in the local community.

For further information please contact:

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