

5 October 2012

Company Announcements
Australian Securities Exchange

VOLUNTARY ADMINISTRATORS APPOINTED TO SUBSIDIARY COMPANIES

Conquest Agri Limited (ASX: CQA) has been in discussions with its secured lender GE Capital in respect to the provision of ongoing support for its operational subsidiaries whilst the group has undertaken a major restructure of its business by divesting of its non-core divisions of real estate, financial services, livestock and its retail branch and agency network in Western Australia to focus on its core business Conquest Crop Protection.

The divestment of the noncore divisions was completed with the sale of the retail network to Ruralco in May 2012. GE Capital has been kept informed of the progress and implementation of the restructure and recapitalisation strategy throughout. Despite Conquest successfully implementing each stage of its strategy, GE Capital progressively reduced the working capital facility for the Conquest operations from \$25 million to less than \$5 million which placed the business in a position where it became very difficult to carry on its crop protection business effectively.

During the restructuring process Conquest engaged with a number of potential industry investors with a view to recapitalising the group to retire GE Capital and establish a fresh working capital facility with bankers who are more familiar with the Australian agricultural sector and the seasonality of the industry. Recently GE Capital advised Conquest, that following an edict from its parent entity in the US, it was quitting all working capital and inventory financing in Australia and they would no longer provide working capital to the Conquest business. This comment was made contrary to the television and newspaper advertising campaign by GE Capital espousing their commitment to the development and growth of Australian businesses.

GE Capital is aware that during the past ten days Conquest has been in negotiations with an offshore group who Conquest felt were close to a deal that would retire GE Capital's debt and recapitalise the business. A letter of intent from the offshore group confirming their interest was provided to GE Capital yesterday. However, today GE Capital has appointed Andrew John Saker and Martin Bruce Jones of Ferrier Hodgson, Level 26 Bank West Tower, 108 St Georges Terrace, Perth WA 6000 as joint and several Voluntary Administrators of the borrowing entities Farmworks Merchandise Services Pty Ltd, Farmworks Australia Livestock Pty Ltd and Conquest Crop Protection Pty Ltd pursuant to Section 436C(1) of the Corporations Act 2001.

The company is disappointed that it was not granted sufficient support by its lender, GE Capital, to complete its restructure and recapitalisation of the business and roll out its growth strategy. Conquest is hopeful that it can work with the Voluntary Administrators to complete the restructure and recapitalisation of the business to the benefit of all stakeholders.

A handwritten signature in black ink, appearing to read "L Shutes", with a long, sweeping flourish extending to the right.

Larry Shutes
Chairman