



Monday, 16 August 2010

Notification of alternative proposal

AWB Limited announces that on 14 August 2010 it received an unsolicited proposal from Agrium Inc for the acquisition of all of the issued capital of AWB on an all cash basis of A\$1.50 per share.

The proposal is conditional on Agrium conducting limited due diligence with respect to certain financial and legal matters.

Implementation of the proposal would be subject to receipt of foreign investment approvals, removal of the 10% shareholding cap under AWB's constitution and the negotiation of an implementation agreement. It is expected that the proposal would be effected by scheme of arrangement.

The Board of AWB has, with the assistance of its external advisers, formed the views necessary under the merger implementation deed with GrainCorp to permit AWB to engage in discussions or negotiations concerning the Agrium proposal and it intends to do so.

The AWB directors advise shareholders that the Agrium proposal is conditional and subject to negotiation and may not lead to a definitive arrangement. Accordingly, at this stage, the merger implementation deed with GrainCorp remains on foot and AWB directors have not withdrawn or modified their previous recommendation that shareholders vote in favour of the merger with GrainCorp.

Information regarding Agrium Inc can be found at www.agrium.com.

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