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**FOR IMMEDIATE RELEASE
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SYMBOL: TSX: AGT

Alliance Grain Traders Inc. Announces South Africa Acquisition

REGINA, SK, OCT 11, 2011 - Alliance Grain Traders Inc. ("AGT") is pleased to announce that it has acquired an 82% controlling interest in South Africa based Advance Seed, and its subsidiary Pouyoukas Foods (collectively "Advance Seed") from Euro-Africa Trading, a European based holding company. AGT has also entered into a binding option agreement to acquire the remaining 18% of Advance Seed from the Brian Lever Family Trust. The assets acquired include real property, storage and related handling equipment and a processing plant for pulses, popcorn and grains and grass seeds, as well as three warehouse and small packaging plants operated by Advance Seed in Johannesburg, Cape Town and Durban, supplying the wholesale and retail markets with a range of pulses, grains and popcorn. The total investment, including the cash acquisition price and a budget for improvements and working capital is estimated at CDN \$7 million. The Johannesburg processing facility as well as the warehouse and small packaging plants are currently operational. Advance Seed will continue to be run with the existing management team and business in place.

"Southern Africa is a key consumption region for our current range of products and Advance Seed has been our sales and distribution partner in South Africa for many years. This is an exciting acquisition for us as Advance Seed have strong existing relationships with regional producers and wholesalers of pulses and grains. As well, they distribute their products to the private label and branded retail sector in South Africa. We have bought a company with established packaging contracts for major retailers as well as marketing its own brands of microwave popcorn and pulses in retail stores in Southern Africa. Strong management, under the leadership of Brian Lever, who will remain as our Managing Director along with his management team, gives us established relationships in the agricultural sector in Africa built over Brian's decades-long career. We like Advance Seed's focus on planting seed as a means to establish local grower relationships and their food platform makes us a player in this dynamic and growing production and consumption region," said Mr. Murad Al-Katib, President and CEO of AGT.

"AGT continues working to grow our geographic distribution and production platforms globally. Africa has excellent potential for local production of pulses and grains including dry beans, lentils, peas and chickpeas. Consumption in this region is strong and we also see excellent sales opportunities utilizing our supply base from our North American, Australian, Chinese and Turkish assets. Our focus will be pulses, pasta and popcorn, all staple foods produced and consumed regionally. We now have production factories and storage in five continents making us a truly global company in our industry," added Mr. Huseyin Arslan, Executive Chairman of the Board of Directors of AGT.

"Our family and management team are very happy to be joining AGT. We have had a long-standing and growing relationship with AGT for a number of years. Bringing these companies together allows us to grow our platform while at the same time giving AGT a solid base from which to expand throughout the Southern Africa region. As a company involved in the agriculture business from seed distribution and agronomy with producers to distribution of packaged foods to retail and wholesale buyers, AGT is a natural fit for us. Our



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local reach complements AGT's reach globally, creating a strong player in Southern Africa for pulses and staple foods," explained Mr. Brian Lever, Managing Director of Advance Seed.

A conference call to discuss this acquisition as well as AGT's previously announced pasta and pulse expansion project is scheduled at 11:00 a.m. Eastern Time on Tuesday, October 11, 2011. The call will be open to all investors and the media. To join the conference, please dial 1-800-319-4610 (toll-free from Canada & U.S.) or +1-604-638-5340 (from outside Canada & U.S.). A recording of the call will be available on our website at www.alliancegrain.com on October 13, 2011. A telephone replay will also be available until midnight Eastern Time, Tuesday, October 25, 2011. To access the replay, please call 1-800-319-6413 (toll-free from Canada & U.S.) or +1-604-638-9010 (from outside Canada & U.S.). When prompted, enter the code 4537, followed by the pound symbol (#).

About Advance Seed

Advance Seed is a trusted specialist supplier of agricultural production, processing and trading services operating in South Africa since 1996. With a portfolio of products and services extending right through the agricultural value chain, Advance Seed offers customers access to quality offerings including pulses, popcorn and grains and grass seed from South Africa, Mozambique, Malawi, Zambia and Zimbabwe to customers in more the 50 countries worldwide. Through its Pouyoukas Foods line of branded products, Advance Seed supplies private label and branded retail sectors in Southern Africa. Facilities operated by Advance Seed for cleaning, grading and processing, packaging and warehousing are located in Johannesburg, Cape Town and Durban, supplying the wholesale and retail markets extending throughout the African continent.

Alliance Grain Traders Inc. Profile

Alliance Grain Traders Inc. (AGT) is a value-added pulse, staple food and ingredient processor for export and domestic markets. Through its offices and processing facilities located in some of the best agricultural growing regions in Canada, the U.S., Turkey, China, Australia and South Africa and merchandising and sales offices in the U.K., the Netherlands and Spain, AGT produces a full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed as well as food ingredients such as pulse flours, proteins, starches and fibres. Through its subsidiaries in Turkey, the Arbel Group, AGT also produces staple foods such as Arbella Pasta, rice, and milled wheat products, including bulgur and semolina.

Cautionary Statements

Certain statements in this press release are forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by AGT at the time of preparation, may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AGT (including its operating subsidiaries) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of harvests, fluctuations in the price of lentils and other crops, failure of plant, equipment or processes to operate as anticipated, accidents or labour disputes, risks relating to the



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integration of acquisitions or to international operations, as well as those factors referred to in the section entitled “Risk Factors” in the Annual Information Form of AGT dated March 28, 2011 which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although AGT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. AGT expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

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