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SYMBOL: TSX: AGT

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Fire at Arbel Group Compound in Mersin, Turkey

REGINA, DEC 29, 2010 - Alliance Grain Traders Inc. (TSX: AGT) ("AGTI") announced today that a fire occurred at its Arbel Group compound located in Mersin, Turkey in the early morning hours of December 27, 2010. The full cause of the fire, and the extent of damage and losses, is still under investigation by local authorities and AGTI's insurer. No one was injured in the fire and management currently believes that there is no material environmental impact as a result of this incident.

Initial reports of the cause indicate that a third party operated truck and trailer carrying a delivery of white beans caught fire shortly after arriving at the premises, with the fire quickly spreading to nearby warehouses. Preliminary reports from authorities have deemed the fire accidental.

Preliminary assessments show extensive damage to two warehouse buildings and an enclosed loading and receiving area. Inventory stored within the affected and nearby areas, consisting of lentils, popcorn, chickpeas, rice, beans and packaging materials (jute bags, cartons, polyethylene film and polypropylene bags) were also destroyed in the fire. It is believed that approximately 7,000 to 10,000 metric tonnes of pulses and grains inventory were lost or affected by the fire.

"Obviously, we are very relieved that no one was injured in the fire. We are very grateful that the only loss was to inventory and warehouses that can be easily replaced. We are working with local authorities and our insurance specialists to determine the full cause of the fire and the extent of damage and our losses, and we will have more to report in due course as details are available," said Murad Al-Katib, President and CEO of AGTI. "We are relieved that our processing facilities on the pulses and grains side of our business are largely unaffected. Although we have temporarily shut down the Mersin facility in connection with the investigation, we are expecting production to resume on January 3, 2011 and we expect to be back to normal seasonal production no later than the third week of January, 2011. Our Arbella pasta production is unaffected by this fire," Mr. Al-Katib continued.

"Our staff on the ground are working diligently with the investigators to pull together the full details of the extent of the damage and our losses. Undoubtedly, the fire will have some impact on our business in Turkey in the short term, but we are confident that we will return to normal production and business as usual relatively shortly. In the interim, we will do our best to minimize impact on our global operations with product available from our other origins to fill shipments, if needed. Additional storage and warehousing is also available from third parties if needed in the interim," added Huseyin Arslan, Executive Chairman of the Board of Directors for AGTI and President of the Arbel Group. "The fact that no one was injured in this fire is certainly the most important thing. We are very grateful to the Governor of Mersin, Mr. Hasan Basri Güzeloglu, who personally attended the site during the fire and

committed the full resources of the region to extinguish the blaze. Our staff and the municipalities who assisted in fire-fighting duties minimized the damage to the adjacent buildings and other inventory at our facilities,” Mr. Arslan continued.

AGTI uses the services of Aon Risk Services Turkey as its insurance broker and it maintains a Property Damage Insurance Policy with Local Goods Standard Coverages with AVIVA SA Turkey. Although the cause of the fire, and the extent of damage and losses, are still under investigation, AGTI currently believes that its insurance policies will adequately cover significantly all of the losses related to the fire.

The Arbel Group was acquired by AGTI in 2009. Arbel facilities in Mersin, Turkey, located on approximately a 200,000 square metre compound and produce a full-line of commercial packaged pulse, rice and bean products that are available for the domestic Turkish market as well as for export. Pasta production facilities feature state-of-the-art equipment used to process high quality Anatolian durum wheat to produce the Arbella Pasta brand that is exported to over 50 countries around the globe.

Alliance Grain Traders will be holding a conference call to discuss the fire and its preliminary assessments of the limited business impact of the fire at the Arbel Group facilities on Wednesday, December 29, 2010, at 11:00 a.m. Eastern time. To join the conference, please dial 1-800-319-4610 (Canada & USA) or +1-604-638-5340 (Outside Canada & USA).

A telephone replay will also be available until midnight Eastern time, Wednesday, January 12, 2011. To access the replay, please call 1-800-319-6413 (from Canada & USA, Toll Free) or +1-604-638-9010 (from outside Canada & USA). When prompted, enter the code 4537, followed by the pound symbol (#). A recording of the call will be available on our website at www.alliancegrain.com at the earliest availability.

Alliance Grain Traders Inc. Profile

Alliance Grain Traders Inc. (AGTI) is a pulse processor and exporter engaged in the business of value-added processing (cleaning, splitting, sorting and bagging) of pulses and specialty crops, for export and domestic markets. Through its offices and processing facilities located in some of the best pulse growing regions in Canada, the U.S., Turkey, Australia and China and trading and sales offices in the UK and the Netherlands, AGTI handles a full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed. Through its subsidiaries in Turkey, the Arbel Group, AGTI 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 AGTI 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 AGTI (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 integration of acquisitions or to international operations, whether AGTI's insurance coverage will adequately cover all losses sustained as a result of the recent fire that occurred at the Mersin facility, as well as those factors referred to in the section entitled "Risk Factors" in the Annual Information Form of AGTI dated March 30, 2010 which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although AGTI 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. AGTI 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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