

FOR IMMEDIATE RELEASE

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**AGTI Provides Update on Fire at Arbel Group Compound
Located in Mersin, Turkey**

REGINA, JAN 27, 2011 - Alliance Grain Traders Inc. (TSX: AGT) ("AGTI") provided an update today on the details of the fire that occurred at its Arbel Group compound located in Mersin, Turkey in the early morning hours of December 27, 2010. The investigation into the fire has confirmed that it was accidental and was caused by a third party operated truck and trailer carrying a delivery of white beans that caught fire shortly after arriving at the premises, with the fire quickly spreading to nearby warehouses. No one was injured in the fire and management believes that there is no material environmental impact as a result of this incident.

"We are very pleased to report that the clean-up from the fire has now been completed and that reconstruction of the two new warehouse buildings and enclosed loading and receiving area are well underway" said Huseyin Arslan, Executive Chairman of the Board of Directors for AGTI and President of the Arbel Group. "We also continue to believe that our insurance policies will adequately cover significantly all of the losses related to the fire" continued Mr. Arslan.

"We were very fortunate that our processing facilities on the pulses and grains side of our business were largely unaffected and that we are now back to normal seasonal production." said Murad Al-Katib, the President and CEO of AGTI. "Given our insurance coverage, and given that our operations in Turkey are back to normal, we do not anticipate any material impact on our business in the long term as a result of the fire" continued Mr. Al-Katib.

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 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.

For further information:

Omer Al-Katib, Investor Relations

(306) 244-1318

ir@alliancegrain.com