

EP Grain Pool Update: Huge Canadian crop pressures canola pool

Port Lincoln 4 December, 2008: EP Grain has revised their canola pool values as global economic woes, falling crude oil price plus Canadian and Australia harvest pressures sent the global canola market down. The significant increase in production estimates of the Canadian canola crop from 10.5mmt to nearly 13mmt has also drastically impacted values.

Despite a \$70 per tonne reduction in the global and local canola markets over the past two weeks EP Grain's number one 2008/09 canola pool has slipped \$10/t to \$620/t FOB largely protecting pool participants from these falls. The number two pool, has been revised to \$550/t FOB.

Tim Burrow, General Manager EP Grain, said the worldwide canola markets fell by 50 Canadian dollars per tonne in the past two weeks, on the back of continued global market pressure resulting from an overflow from falling crude oil and equity markets.

"The significantly larger Canadian canola crop will continue to pressure this market, and there is no doubt that prices will remain under siege for the near term as this crop gets put to the market by growers".

"Pressure from lower freight rates and increased competition from Canadian canola imports, has reduced local basis by \$20/t on top of the broader global market fall, pushing local cash prices down \$70/t.

"EP Grain customers have been partly cushioned from this dramatic fall in the canola market due to our forward selling and risk management strategies with only a \$10 per tonne fall in the number one pool and a reduction in the number two pool of around five percent."

For more information on EP Grain's pool returns call the office in Port Lincoln on 08 86824955 or visit the web site at www.epgrain.com.au.

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EP Grain 2008/09 No.1 WA Canola Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

Can1	\$620*
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EP Grain 2008/09 No.2 WA Canola Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

Can1	\$550
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*Closed pool

*Note: Estimated Pool Return (EPR) is as at date of release and at a defined level of protein, screenings and moisture for each pool pay grade. Prices are net of management fees. All prices are Free On Board (FOB) and deductions associated with payment option choice and location need to be taken into account. All prices are in Australian dollars (AUD) unless otherwise indicated and are estimates only and subject to change over the life of the pool as a result in changing market conditions and management performance. All terms and conditions of EP Grain pools plus EP Grain Reward quality payment matrices are published on our website at www.epgrain.com.au
PLEASE NOTE: EP Grain pools operate via a disclosed principle agreement between EP Grain Pty Ltd and Emerald Group Australia Pty Ltd. The EP Grain pool is operated and managed by Emerald Group Australia Pty Ltd.*

EP Grain Pty Ltd is a joint venture between FREE Eyre Ltd and Emerald Group Australia Pty Ltd