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**FOR IMMEDIATE RELEASE
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SYMBOL: TSX: AGT

Alliance Grain Traders Inc. Announces Regina Pasta and Pulse Facility

REGINA, SK, OCT 7, 2011 - Alliance Grain Traders Inc. ("AGT") is pleased to announce its intention to invest up to CDN \$50 million towards the construction of a pasta and pulse processing and logistics complex to be located in the Global Transportation Hub ("GTH") in Regina, Saskatchewan. The project is expected to commence construction in 2012 and was announced earlier today at an event held in Regina, Saskatchewan attended by the Right Honourable Prime Minister Stephen Harper, the Honourable Gerry Ritz, Minister of Agriculture, the Honourable Brad Wall, Premier of Saskatchewan and His Worship, Mayor Pat Fiacco of the City of Regina.

The complex is planned as a milling site for wheat and pulses – processing durum wheat into semolina for the production of the Arbella pasta brand in Canada, as well as pulse processing capacity for production of ingredient pulse flours, proteins, starches and fibres. The distribution centre is expected to capitalize on the availability of ocean containers, trucks and intermodal units at the GTH site for domestic and export shipments.

"We are continuing our growth and expansion strategy of our global packaged food and ingredients platforms in pulses and milled durum wheat. We have always been focused on creating value through origin-based processing, locating our processing facilities where high quality crops are grown. We seek to create value for our farmer suppliers and our shareholders by shipping finished food products and not just the raw basic commodities to markets around the world. Canada is a dominant world supplier of durum wheat and pulses. With our strong Canadian base built over the past decade, Western Canada was a logical choice for our new processing complex. The GTH will provide a competitive freight advantage for us that makes this a sensible investment," said Mr. Murad Al-Katib, President and CEO of Alliance Grain Traders Inc.

"We have spoken many times about our intentions to expand into these areas. We have a strong balance sheet and will continue to deploy capital to enhance the opportunities as we identify them," continued Mr. Al-Katib.

"We have built a successful global pasta business based out of our production facilities in Turkey. With the good conditions in Canada, we feel that significant opportunities exist to expand our operations here. Our relationships with growers in Western Canada and our relationships with our international customers we sell to everyday create opportunities and synergies that we feel may be realized through this investment. This expansion is an important step in ensuring a strong foundation for our future by solidifying our pasta milling capacity in Canada and moving us further up the value chain in our pulses platform. This, we feel, will assist in enabling us to continue to successfully and profitably supply the world with pulse ingredients and our other products," added Mr. Huseyin Arslan, Executive Chairman of the Board of Directors for AGT.



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A conference call to discuss the announced 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 the Global Transportation Hub

The Global Transportation Hub is a new 2,000 acre Canadian transportation and logistics centre located at the west end of the city of Regina. Currently in its first year of operation and construction, the GTH will be serviced by Canadian Pacific's new state-of-the-art intermodal facility, which will be fully operational in 2012. The GTH's anchor tenant, Canadian Logistics Services is already operating phase one of its million square foot distribution center at the GTH in support of the Loblaw's Group of Companies. Earlier this year, the GTH was announced as the site for the expansion of the Yankee Group of Companies, Saskatchewan's largest trucking company, who provide intermodal, trucking, warehousing and logistics services. The GTH serves as a single point of contact and customized solutions for outside investors to connect Saskatchewan to the rest of the world and the rest of the world to Saskatchewan.

Alliance Grain Traders Inc. Profile

Alliance Grain Traders Inc. (AGT) is a pulse, staple food and ingredient 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, China and Australia and merchandising and sales offices in the U.K., the Netherlands and Spain, AGT 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, 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 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



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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.

For further information:

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