NAMOI COTTON
Growing Together

MEDIA RELEASE
27 May 2011

Namoi Cotton Outlines Strategic Direction for Marketing Operations

The Board and Management of Namoi Cotton (ASX: NAM) have been investigating opportunities and capacity to grow its business model and increase its strategic footprint in core activities to deliver greater value for grower members and co-operative capital unit holders.

This growth strategy is being considered as a function of improved water security delivering increased cotton crop sizes, industry participant consolidation and significant volatility in cotton trading market conditions pressuring margins and increasing funding costs.

The Board and Management have considered a number of alternatives to implement the growth strategy and determined that the most efficient and effective initiative to deliver greater value is to consider a joint venture or to involve a strategic partner in Namoi Cotton's Australian marketing operations.

The Board and Management consider that such a change in Namoi Cotton's Australian marketing operations would facilitate increased ginning and marketing business with growers, increased competitiveness, greater leveraging of market volatility for improved economic returns and increased service offerings across all operations through improved capital allocation.

Namoi Cotton will be progressing this possible change in the strategic direction of the operation of its Australian marketing business in the coming months. There can be no certainty that a transaction will be developed or concluded. Namoi Cotton will provide further information of any developments to the ASX if and when it becomes required to do so under the continuous disclosure provisions.

For further information, please contact:

Namoi Cotton Co-operative Limited
Jeremy Callachor
Chief Executive Officer
(07) 4631 6104

<end>