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SAMPLETOWN TAS 7000

NUF

22 January 2004

Dear Shareholder

Acquisition of BASF Phenoxy Herbicide Business

On 14 January 2004, Nufarm Limited announced that it had entered an agreement to acquire BASF's Phenoxy Herbicide Business.

The business acquired has annual worldwide sales of more than Euro 40 million and includes a long-term supply agreement with BASF, covering Phenoxy herbicide inputs to BASF mixture products. This acquisition will facilitate a higher proportion of branded sales for Nufarm's core product range, and will establish strong brand positions in key strategic markets in Europe and South America. This represents an ideal fit with Nufarm's strategy of consolidating and strengthening the company's core crop protection business and expanding its geographic reach. Further information on these developments can be found on the company's website www.nufarm.com

The Board values the support of the company's retail shareholders, and is pleased to advise that eligible shareholders will be able to participate in the funding of the acquisition via the Nufarm Share Purchase Plan (SPP).

Nufarm Share Purchase Plan

Nufarm successfully completed a A\$40 million institutional share placement on 14 January 2004 as part of the funding for the acquisition at an issue price of A\$5.20c per share. The Board is now pleased to invite Nufarm shareholders with a registered address in Australia or New Zealand to participate in the SPP by subscribing for up to 960 of additional shares in Nufarm without incurring brokerage or other transaction costs. Details of this offer and how to participate are enclosed.

The SPP offer period will close on 13 February 2004.

The SPP is intended to raise up to A\$10 million. If the total value of applications for shares exceeds A\$10 million, the Company reserves the right to scaleback the applications accordingly. Having considered a wide range of funding options for the acquisition, the Board believes the chosen funding strategy is the most efficient, minimizes the cost of capital and allows both Nufarm's institutional and retail shareholders to participate in the equity raising.

I encourage you to read the terms and conditions of SPP carefully. If you require additional information you may wish to contact the Shareholder Information Line on 0800 222 086 for New Zealand Shareholders or 1800 009 264 for Australian Shareholders or visit the company website www.nufarm.com

The acquisition of the BASF Phenoxy Herbicide Business is an important strategic development that will provide a platform for profitable growth of the company in the future. The Directors commend the opportunity to participate in the SPP to you and invite you to carefully consider the enclosed material.

If you are in doubt as to how to act on this matter you should contact a professional advisor.

Thank you for your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'K M Hoggard', written in a cursive style.

K M Hoggard
Chairman