

## PERTH

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23 July 2010

**Great Southern Managers Australia Ltd  
(Receivers and Managers Appointed) (In Liquidation)  
ACN 083 825 405**

**Circular to Growers in 2006, 2007 and 2008 Vineyard Projects**

**ADVISING OF STATUS OF HEAD LEASES**

ADELAIDE  
BRISBANE  
MELBOURNE  
SYDNEY  
HONG KONG  
JAKARTA  
KUALA LUMPUR  
MANILA  
MUMBAI  
SHANGHAI  
SINGAPORE  
TOKYO

Great Southern Managers Australia Ltd (Receivers and Managers Appointed) (In Liquidation) (GSMAL) has received notices in relation to the properties leased to GSMAL by Great Southern Vineyard Holdings Pty Ltd (Receivers and Managers Appointed) (In Liquidation) (GSVH).

Affiliated through  
Zolfo Cooper  
and  
Kroll Worldwide  
UNITED STATES  
UNITED KINGDOM

The notices were received in the period 28 May 2010 to 30 May 2010 and relate to properties used for:

- Great Southern 2006 Wine Grape Project (ARSN 117 119 276)
- Great Southern 2007 Wine Grape Project (ARSN 117 119 507)
- Great Southern 2008 Wine Grape Income Project (ARSN 128 566 601)

(collectively referred to as the Schemes)

The notices state that GSVH is of the opinion that GSMAL has evidenced an intention not to comply with the terms of the head leases, and that unless a contrary intention is evidenced by GSMAL within seven or 14 days of the date of the notice (depending on the location of the property), GSVH would exercise its rights to accept GSMAL's repudiation and terminate the leases.

In summary, GSVH alleged that GSMAL had failed to:

- Manage, cultivate and/or tend to the vines situated on the properties.
- Take steps to ensure that the viticulture infrastructure situated on the properties is kept in good and substantial repair, order and condition.
- Harvest the grape produce growing on the vines, for the purpose of sale or preservation of the productive capacity of the vines.

GSVH also alleged that GSMAL had abandoned the properties.



Following expiry of the stipulated notice periods GSMAL subsequently received notices advising that GSVH was accepting a repudiation of the head leases and thereby terminating the head leases.

To the best of the liquidators' knowledge, as a result of a lack of funding, no maintenance work has been carried out on the relevant properties for some time, and certainly not since the liquidators assumed control of the responsible entity of the Schemes on 3 March 2010.

GSMAL has no funding to consider the validity of the notices terminating the head leases, cure any breaches, challenge the notices or seek relief from forfeiture of the head leases. However, the liquidators have commenced discussions with Primary Securities Limited, the party appointed as the responsible entity for other vineyard schemes, to obtain funding to consider these issues. Where funding is not forthcoming, and in circumstances where the Schemes are winding up and previous requests for funding from growers have not been successful, the liquidators do not propose to seek any additional funding from growers for the purpose of taking any of those actions. Whether growers wish to do so is a matter on which growers should obtain independent advice.

If growers have any questions, please contact Adam Puddy at this office.

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

**Andrew Saker**  
Joint and Several Liquidator of  
Great Southern Managers Australia Limited