

28 June 2010

**Great Southern Managers Australia Limited
(In Liquidation) (Receivers and Managers Appointed) (GSMAL)
ACN 083 825 405****CIRCULAR TO GROWERS****GREAT SOUTHERN WINE GRAPE PROJECT 2006
GREAT SOUTHERN WINE GRAPE PROJECT 2007
GREAT SOUTHERN WINE GRAPE PROJECT 2008****Collectively referred to as the Projects**ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SHANGHAI
SINGAPORE
TOKYO

We refer to the appointment of Martin Jones, Andrew Saker, Darren Weaver and James Stewart as Joint and Several Administrators of GSMAL the vineyard land-owning entity Great Southern Vineyard Holdings Pty Ltd (In Liquidation) (Receivers and Managers Appointed) (GSVH) on 16 May 2009, and to our subsequent appointment as Joint and Several Liquidators on 19 November 2009.

Affiliated through
Zolfo Cooper
and
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

We also refer to the appointment of James Thackray, Tony McGrath and Colin Nicol as Receivers and Managers of GSMAL and GSVH on 18 May 2009.

As you may be aware, GSVH leases land to GSMAL for the purposes of the Projects. GSMAL is the Responsible Entity (RE) of the Projects.

The Receivers and Managers of GSMAL have controlled GSMAL, to the extent that it is RE for the Projects for the period from 19 May 2009 until 2 March 2010. During this period, the Receivers and Managers sought to replace GSMAL as the RE of the Projects. However, no replacement RE was appointed. As such, GSMAL remains the RE of the Projects.

The Receivers and Managers of GSMAL relinquished control of the RE to the Liquidators on 2 March 2010.

GSVH has subsequently served various default notices on the RE with respect to the lease agreements pertaining to the Projects, alleging that GSMAL, as lessee has failed to insure the leased land against public risk for an amount of not less than \$10,000,000 in the names of the tenant and landlord.

We note however, that GSMAL may currently also be in breach of other terms of the leases relating to the maintenance of the properties. The estimated costs to remedy these are substantial.



GSMAL is unable to remedy the default notices as GSMAL is without funding. Further, the Corporations Act provides, at section 545, that a liquidator is not liable to incur any expense in relation to the winding up of a company unless there is sufficient available property.

Notwithstanding that the Liquidators have no obligation to do so, with a view to exploring all opportunities, we have corresponded with both Save our Trees and Bendigo and Adelaide Bank Limited, as interested parties, to ascertain their interest in either replacing GSMAL as RE or providing funding to remedy the defaults on the various leases.

Please be advised that if funding is not made available to GSMAL, or replacement REs are not installed, the Liquidators will have no ability to defend the termination notices which may follow in relation to the relevant leases. A termination of the leases may result in the Growers' rights in relation to the vineyards being extinguished.

We will advise Growers when we are in a position to provide an update as to the future of the Project.

Should you have any queries in relation to the contents of this circular, please do not hesitate to contact Adam Puddy or Dario Musulin of this office on (08) 9214 1444.

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