

19 March 2009

Our Ref: PAL.S7/gd/dm/slm

Dear Member

PWL – ACN 084 252 488 Ltd (formerly Palandri Wines Ltd) (in Liquidation) (PWL)
The Margaret River Wine Business – ARSN 086 241 198
The Palandri America Wine Business – ARSN 098 544 908
Palandri Winegrape Project 2005/2006 – ARSN 114 193 234
Palandri Global Supply Challenge 2007-2008 – ARSN 124 150 616
Margaret River Wine Business Trust – ARSN 119 602 505
Palandri Agricultural Property Trust ARSN 114 192 933
(together, the Schemes)

On 24 September 2008, the Supreme Court of Western Australia ordered that the Schemes would be wound up. We are in the process of winding up the Schemes, and in accordance with the court order we are terminating your lease and management agreement (LMA) with PWL. Please see the formal notice attached.

The termination of your LMA will ensure that you are not exposed to any losses incurred in the operation of the company's vineyards in the future.

This is an important step in the scheme's winding up and it will also enable us to complete the winding up of the companies within the Palandri Group.

We continue to investigate the failure of the companies and the schemes and we are working with the Australian Securities and Investments Commission (ASIC) in this regard. We will provide a fuller report on these investigations towards the end of May.

You are not required to take any action in response to this notice, however should you have any queries please contact Sarah Marshall on (08) 9365 7369.

Yours sincerely



Gary Doran
Joint & Several Liquidator

NOTICE OF TERMINATION OF LEASE AND MANAGEMENT AGREEMENTS
THE PALANDRI AMERICA WINE BUSINESS ARSN 098 544 908 (PAWB SCHEME)

TO: Each member of the PAWB Scheme (**PAWB Member**)

Background

- A. PWL – ACN 084 252 488 Ltd (formerly Palandri Wines Ltd) (In Liquidation) ACN 084 252 488 (**Responsible Entity**) is the responsible entity of the PAWB Scheme.
- B. The PAWB Member has subscribed for one or more interests in the PAWB Scheme.
- C. In subscribing for interests in the PAWB Scheme, the PAWB Member has agreed to be bound by, among other things, the constitution of the PAWB Scheme as amended from time to time.
- D. Pursuant to various lease and management agreements entered into between the Responsible Entity, PWPL and the PAWB Member:
 - (a) PWPL – ACN 085 042 879 Ltd (formerly Palandri Wine Production Ltd) (In Liquidation) ACN 085 042 879 purported to lease vineyard lots to members of the PAWB Scheme on the vineyards known as Frankland River Vineyard 1 and Frankland River Vineyard 2; and
 - (b) the Responsible Entity agreed to manage those vineyard lots for the duration of the PAWB Scheme.
- E. On 24 September 2008 the Supreme Court of Western Australia ordered that the PAWB Scheme be wound up pursuant to section 601ND(1)(a) of the *Corporations Act* 2001 (Cth).
- F. Under the PAWB Scheme constitution, the Responsible Entity has the power to terminate any agreement or arrangement that the Responsible Entity has entered into with members of the PAWB Scheme during the winding up of the PAWB Scheme.

TAKE NOTICE THAT:

- 1. pursuant to clause 6.4 of the PAWB Scheme constitution, the Responsible Entity of the PAWB Scheme hereby terminates each and every lease and management agreement entered into between the Member and the Responsible Entity including, without limitation, the following lease and management agreements (as amended), being:
 - (a) lease and management agreement dated January 2003;
 - (b) lease and management agreement dated 10 September 2003;
 - (c) lease and management agreement dated 19 December 2003; and

- (d) lease and management agreement dated 15 June 2004; and
2. this notice of termination does not affect any rights that may have accrued in favour of any of the parties prior to the termination taking effect.



Gary Doran
Joint and several liquidator of
PWL – ACN 084 252 488 Ltd (In Liquidation)
Responsible Entity of the PAWB Scheme

Dated: March 2009