

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
PALANDRI WINEGRAPE PROJECT 2005/2006 ARSN 114 193 234 (PWP SCHEME)

TO: Each member of the PWP Scheme (**PWP 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 PWP Scheme.
- B. The PWP Member has subscribed for one or more interests in the PWP Scheme.
- C. In subscribing for interests in the PWP Scheme, the PWP Member has agreed to be bound by, among other things, the constitution of the PWP Scheme as amended from time to time.
- D. Pursuant to various lease and management agreements entered into between the Responsible Entity and the PWP Member, the Responsible Entity:
 - (a) purported to lease vineyard lots to members of the PWP Scheme on the vineyards known as Frankland River Vineyard 1, Frankland River Vineyard 2, Harvey Vineyard and Palandri Reserve; and
 - (b) agreed to manage those vineyard lots for the duration of the PWP Scheme.
- E. On 24 September 2008 the Supreme Court of Western Australia ordered that the PWP Scheme be wound up pursuant to section 601ND(1)(a) of the *Corporations Act 2001* (Cth).
- F. Under the PWP 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 PWP Scheme during the winding up of the PWP Scheme.

TAKE NOTICE THAT:

- 1. pursuant to clause 29.4 of the PWP Scheme constitution, the Responsible Entity of the PWP Scheme hereby terminates each and every lease and management agreement entered into between the PWP Member and the Responsible Entity including, without limitation, the following lease and management agreements (as amended), being:
 - (a) lease and management agreement dated 30 July 2005; and
 - (b) lease and management agreement dated 15 July 2006; 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 PWP Scheme

Dated: March 2009