

Coonawarra Premium Vineyards Project

Last Quarter 2008 Newsletter



GROUP MANAGING DIRECTOR'S REPORT

Not good for those who suffer from hayfever but the vineyard is flowering in earnest now. Approximately 50% of the Chardonnay and Merlot vines have flowered and 25% of the Petit Verdot vines have flowered. Flowering of the Shiraz vines are about to start as is the Cabernet Sauvignon vines. The small areas, predominately of Cabernet Sauvignon, that were affected by black beetle at bud burst are now rapidly growing and it is anticipated there will only be a minor reduction of crop levels for those vines.

GROWERS DISTRIBUTION

A net grower distribution of \$831.86 per grower unit was made on 28 November 2008. This included \$899.28 per grower unit of grape sale proceeds, \$64.72 (exc GST) of bulk wine sales, net of recoverable costs and fee's outstanding. If you did not receive your distribution please contact Liz on (08) 83383400 or email investors@coonawarravineyard.com.au to update your details.

INDUSTRY OUTLOOK

According to an article by Chris Snow in the Herald Sun on November 17, 2008 "Australia's wine industry appears set for a major shakeup amid growing pressure from leading winemakers to slash production and cut the total number of wineries."

The article continues stating that "The push for industry reform involves calls for a 60 per cent cut to producer numbers and to trim actual wine production by 20 per cent within a decade.

Winemakers are concerned the average Australian harvest is now about 1.9 million tonnes while demand is running at less than 1.5 million tonnes.

John Grant, president of Constellation Wines Australia, said this meant that this year's surplus of 476 million litres of wine at June 30 -- the equivalent of about 680,000 tonnes of grapes -- would get "longer and longer".

That would put downward pressure on grape prices with margins squashed as increased non-grape production costs could not be reflected in the market place.

"The industry needs to reduce its production by around 20 per cent or put another way, for every five rows in the vineyards one row needs to be removed," Mr Grant said.

An immediate production cut was not likely despite the need for down-sizing, Lawrie Stanford, manager, information and analysis with the Australian Wine and Brandy Corporation said. He said the 2009 crop would be similar to the 2008 harvest of 1.93 million tonnes."

Snow, C 2008, 'Big wineries call for market prune', *Herald Sun*, 17 November, viewed 3 December 2008.

As you can see from the commentary above 2009 vintage will be difficult with pressure on prices and demand may also be reduced. As we did last year grapes not under contract will be put out to tender and if not sold may need to be processed into bulk wine.

KEEPING YOUR DETAILS UP TO DATE

Keeping our records up to date ensures that you receive all of the important correspondence and distributions regarding your investment. If you have moved and are yet to update your details please contact the office on (08) 83383400 or investors@coonawarravineyard.com.au. If you are a unit holder in Coonawarra Australia Property Trust it is also important that you notify Computershare of your change of address, telephone numbers, email and bank account information. www.computershare.com.au or fax (08) 8236 2305 or GPO Box 1903, Adelaide SA 5001.

WINE OFFER

Great Wines Great Prices - FREE DELIVERY

Don't miss out on these amazing offers from Watson Wine Group.



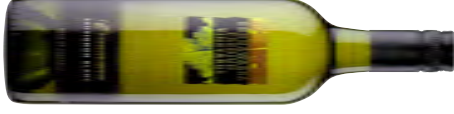
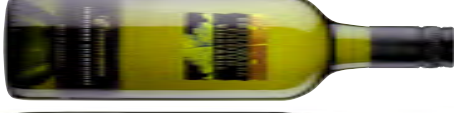






Turn over for availability.

Watson Wine Group

Summer Sizzlers



Great wines, Great prices, Free Delivery!

	WINE	PRICE	CASES	TOTAL
	Coonawarra Shiraz 2005 (Blue Gold Top 100 Medal)	\$55	_____	\$_____
	Coonawarra Merlot 2005	\$55	_____	\$_____
	CPV Sauvignon Blanc Coonawarra 2006	\$60	_____	\$_____
	CPV Unwooded Chardonnay Coonawarra 2005	\$60	_____	\$_____
	CPV Cabernet Sauvignon Coonawarra 2006	\$60	_____	\$_____
	CPV Cabernet Shiraz Merlot Coonawarra 2006	\$60	_____	\$_____
	CPV Shiraz Coonawarra 2005	\$60	_____	\$_____
	Three Sons Cabernet Sauvignon Coonawarra 2005 (5 Bronze Medals)	\$80	_____	\$_____
	Three Sons Cabernet Merlot Coonawarra 2005 (2 Bronze Medals)	\$80	_____	\$_____
	Three Sons Shiraz Coonawarra 2005 (5 Bronze Medals)	\$80	_____	\$_____
	Rex Watson "Wish" <i>*6 PACK*</i> Blanc de Blancs Sparkling SA Advertiser/Hyatt Top Wine 2008	\$100	_____	\$_____

NAME: _____ ADDRESS _____ STATE _____ P/C _____
(NO PO BOXES)

PAYMENT Visa Mastercard CARD NUMBER _____ EXP DATE _____

I CERTIFY THAT I AM 18 YEARS OF AGE (sign) _____ PHONE _____

FAX ORDERS (08) 83383244

Send completed order forms to PO Box 6243 Halifax Street, Adelaide SA 5000 or Phone (08) 83383200
or Fax (08) 83383244 or email sales@yourwinecompany.com

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