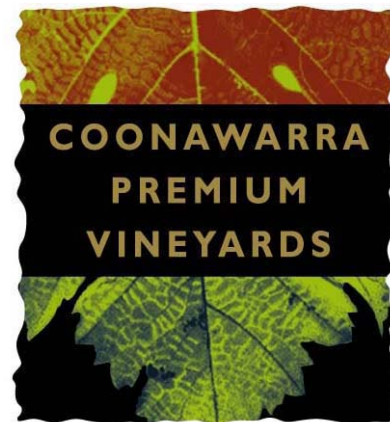


Coonawarra Premium Vineyards Project

March 2006 Newsletter



Group Managing Directors Report

It has been a reasonable start to the year in the vineyard with all viticultural outlooks appearing positive. Many sources indicate it will be another tough year within the industry.

PROPOSED PROJECT RESTRUCTURE

A meeting of growers will be held on April 13 2006 at Rydges South Park Hotel Adelaide at 10.30am to consider and vote on a proposal to wind up the Project. A notice of meeting and Explanatory Memorandum has been sent to all growers regarding this meeting. If you have any further queries after reading these documents please contact us at enquires@coonawarravineyards or 08 8299 9455.

PRIVATE RULING APPLICATION

Due to the proposed restructure we are currently unable to prepare a meaningful forward projection of the Project's financial performance. This means that we are presently unable to provide investors with a Private Ruling application suitable for submission to the ATO for the 04/05 tax year. Once a decision regarding the proposed restructure has been reached we will update information for a private ruling application..

NUGAN

As late as the 24 March 2006 Nugan declined to take the red grapes from the Project blocks 2 to 6. Every attempt will be made to sell the grapes to another winery: however if we can't find someone to take them they will be processed into bulk wine at facilities nearby.

A mediation conference is taking place on 26 April with a view to bringing a conclusion to the proceedings. Whether a settlement can be reached by mediation is uncertain.

Rex Watson
Group Managing Director



Project Vineyard Report

GRAPEVINES

The Chardonnay and Sauvignon Blanc have now been harvested and regular maturity sampling of the red varieties is underway and likely that harvest will start early in April. All varieties except the petit verdot are well advanced in their ripening.

YIELD LEVELS

Machine thinning was carried out in Cabernet blocks 4, 5, 6, 7, 8 and 9 and Shiraz Blocks 2 and 12, to reduce the excess crop load on the vines. This has decreased the estimated yields in these blocks to more acceptable levels of approximately 10-12 tonnes per hectare.

Several blocks have been mechanically thinned and the results look pleasing with block average yields around the mark for good ripening, however some individual vines are still carrying crop loads higher than required.

Leaf plucking was carried out on the Sauvignon Blanc blocks and a few other varieties that needed better light penetration. Plucking was mainly concentrated on the eastern side of the vines with just a light touch on the western side.

Wine offer

Please turn over for latest wine offer from Watson Wine Group.



WINE GROUP

The 2006 vintage is well under way and we still have a small amount of CPV whites and USA Gum Bear Reds in the warehouse which need to be sold so we are offering to all investors some amazing once off prices that can't be missed!

What an excellent opportunity to stock up for Easter and maybe quell the up and coming winter blues with some very drinkable reds.



Currently you can buy the Australian Gum Bear range at the following outlets:

- VIC - Azzimo Restaurant, Carma Cellars, Cellarbrations at North Balwyn, Emerald Hill Hotel, Grosvenor Hotel, IGA Templestowe, Ross Town Hotel and Wines on Poath.

ACT - Kingston Hotel.

SA - Regent Thai.

Shortly you will be able to purchase from Theo's Liquor stores in NSW & QLD.

SPECIAL END OF VINTAGE OPPORTUNITY

LIMITED Time Only

CPV

2004 Unwooded Chardonnay
2004 Sauvignon Blanc

Cleanskin

2004 Sauvignon Blanc

USA Gum Bear

2003 Cabernet Sauvignon
2004 Cabernet Shiraz Merlot

Available to Investors at the amazing price of only \$65 per case delivered to your door.

This is the last of these vintages and we want to clear the remaining stock whilst it is still showing wonderful characters.

Don't miss this opportunity to buy these medal winning wines at a ridiculous price.

Don't wait any longer, call Claire or Tracey on 08 8299 9299 or email sales@wwgwines.com

ORDER FORM (Please complete order form and send)

Mail - Watson Wine Group, PO Box 6243, Halifax St, ADELAIDE SA 5000

Phone - (08) 8299 9299 Fax - (08) 8299 9355

Email - sales@wwgwines.com

Please send me

_____ CASES OF 2004 CPV CHARDONNAY
 _____ CASES OF 2004 CPV SAUVIGNON BLANC
 _____ CASES OF 2004 SAUVIGNON BLANC CLEANSKIN
 _____ CASES OF 2003 GUM BEAR CABERNET SAUVIGNON
 _____ CASES OF 2004 GUM BEAR CABERNET SHIRAZ MERLOT
 @ \$65 PER CASE. TOTAL _____

NAME: _____

ADDRESS: _____

SUBURB: _____ STATE: _____ P/C _____

PHONE (HM): (____) _____ PHONE (WK): (____) _____

DELIVERY INSTRUCTIONS: _____

PLEASE CHOOSE PREFERRED METHOD OF PAYMENT:

Cheque or money Order (payable to Watson Wine Group)

Credit Card (please tick a box)

Visa Bankcard Mastercard

Card Number: _____

Name on Card: _____

Expiry Date: _____ Signature: _____