



Coonawarra Premium Vineyards Limited
A.C.N. 086 944 265 / A.B.N. 58 086 944 265
AFS Licence No: 226243

12 July 2010

Company Announcements Platform
Australian Stock Exchange
Level 10
20 Bond Street
SYDNEY NSW 2000

Postal: PO Box 167
Fullarton SA 5063
Street: 235 Glen Osmond Road
Frewville SA 5063
Telephone (08) 8338 3400
Facsimile (08) 8338 3244

Dear Sir

**COONAWARRA AUSTRALIA PROPERTY TRUST ("CNR")
UPDATE**

Independent valuations have been received for the value of the property to the Trust which states that the current market value including the benefits and obligations attaching to the leases with the Growers is \$11,000,000 (2009: \$13,500,000) and the current market value on an unencumbered basis is \$9,000,000 (2009: \$10,500,000).

CPV Wines Limited (owned 76% by CAPT) owns a vineyard adjoining the Trust vineyard and the independent valuer states the value of the property is \$3,250,000 (2009: \$3,500,000).

These valuations will result in vineyard impairment for the Coonawarra vineyard properties of \$1,791,528 for the period ended 30 June 2010 (2009: \$2,657,609).

Covenants within the bank borrowings require interest coverage ratio to be no less than 1.75 times and that the Loan Ratio at all times be no more than 60% of unencumbered land value. At the end of the financial year ended 30 June 2009 the Trust and CPV Wines breached these covenants. The bank is continuing to reserve its rights in relation to the breaches and the bank and the Trust continue to work together to remedy the situation.

Andrew Parkinson
Director
Company Secretary

For personal use only