

# **Simon Gilbert Wines Limited (“SGV”)**

ABN 99 000 094 995

## **Prospectus**

A renounceable rights issue to existing shareholders of one (1) New Share at an issue price of 6.5 cents each for every two (2) Shares held to raise approximately \$2,308,650 before costs of the Offer

The last date for application is 8 May 2007.

**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY. IF YOU HAVE ANY QUERIES, PLEASE CONSULT YOUR STOCKBROKER OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.**

Underwriter

Coonawarra Premium Vineyards Limited (ACN 086 944 265)  
as responsible entity of the Coonawarra Australia Property Trust (ARSN 104 335 159)

**THIS ISSUE IS FULLY UNDERWRITTEN**

## Summary of important dates

Announcement of the rights issue	5 April 2007
Lodgement of Prospectus with ASIC	5 April 2007
Shares quoted ex-rights and rights trading commences	13 April 2007
Record Date to determine entitlement to rights	19 April 2007
Prospectus despatched with Entitlement and Acceptance Form by	26 April 2007
Rights trading ends	4 May 2007
Closing date of Offer	11 May 2007
Allotment of New Shares and despatch of holding statements for New Shares	17 May 2007
Commencement of trading of New Shares on ASX	18 May 2007

**Note: These dates are indicative only, and SGV reserves the right (subject to the Corporations Act and the Listing Rules), in consultation with the Underwriter, to vary the dates and times of the Offer without notifying you.**

## Important notice

This Prospectus is dated 5 April 2007. A copy of this Prospectus was lodged with ASIC and ASX on 5 April 2007. ASIC and ASX take no responsibility for the content of this Prospectus.

No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise permit the offering of the New Shares in any jurisdiction outside Australia and New Zealand.

This document is important and requires your attention. It should be read in its entirety.

Definitions of certain terms used in this Prospectus appear in the Glossary.

Offer Statistics	
Existing Shares on Issue:	71,035,400
Rights Issue Ratio:	1:2
Number of New Shares to be Issued:	35,517,700
Issue Price:	\$0.065
Rights Issue Proceeds (before costs):	\$2,308,650

## Director's letter

# SIMON GILBERT WINES

**Registered Office**

235 Glen Osmond Road  
FREWVILLE SA 5063:

## Postal Address:

PO Box 6243  
Halifax Street  
ADELAIDE SA 5000

Telephone: +61 8 8338 3400

Fax: +61 8 8338 3244

Simon Gilbert Wines Limited

ABN: 99 000 094 995

**Winery Address:**

1220 Castlereagh Highway  
APPLE TREE FLAT  
VIA MUDGEE NSW 2850

## Postal Address:

PO Box 1115  
MUDGEE NSW 2850

Telephone: +61 2 6373 1245

Fax: +61 2 6373 1350

5 April 2007

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares ("New Shares") to subscribe for ordinary Shares in Simon Gilbert Wines Limited ("the Issue").

SGV is making a renounceable rights issue of one (1) ordinary New Share at six and a half (6.5) cents per share for every two (2) ordinary Shares held, to raise \$2,308,650 before costs associated with the Issue.

The purpose of the Issue is set out in the Prospectus.

CPVL, a company associated with Andrew Parkinson and Rex Watson (Directors), as responsible entity of the Coonawarra Australia Property Trust (ARSN 104 335 159) has agreed to underwrite the whole of the Issue.

The Offer is open from 26 April 2007 and is due to close 11 May 2007. Please read the Prospectus carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker or other professional advisor.

On behalf of the Directors, I invite you to participate in this Issue.

Yours Sincerely,



Andrew Parkinson  
Managing Director

## **1. Details of the Offer**

### **1.1 The Offer**

SGV is making a renounceable rights issue of 35,517,700 New Shares at 6.5 cents per New Share to raise approximately \$2,308,650 before costs associated with the Issue are paid. Shareholders of SGV are entitled to subscribe for one (1) New Share for every two (2) Shares held. Only those Shareholders (other than Excluded Shareholders) shown on the share register at 5.00pm (Sydney time) on the Record Date will be entitled to participate in the Issue.

When fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

The issue price for the New Shares is payable in full on application.

### **1.2 How to Accept Your Entitlement**

Shareholders may accept their Entitlement either in whole or in part.

The number of New Shares to which Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

If Shareholders take no action in respect of their Entitlement they will have no right to subscribe to the New Shares pursuant this offer.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Prospectus in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with your cheque or bank draft for the full amount payable so as to reach SGV no later than 5.00pm (Sydney time) on the Closing Date.

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by SGV on behalf of the Applicants. Any interest earned on the Application Monies will be retained by SGV irrespective of whether the allotment takes place.

### **1.3 Purpose of the Offer**

The money raised by the Offer (net of costs) will be used to provide additional working capital for SGV (for example, to fund and support an improved marketing and sales program). In the interim, surplus funds will be used for the short term reduction in borrowings. Further details are provided in sections 1.14 and 1.15 of this Prospectus.

### **1.4 Listing on the ASX**

Application will be made by SGV for the New Shares to be granted quotation on the official list of ASX within seven days of the date of this Prospectus. If official quotation is not obtained within 3 months of the date of this Prospectus, all Application Monies will be refunded without interest and the Issue will not proceed.

## **1.5 Allotment**

No allotment of New Shares will be made until the proceeds of the Offer have been received and permission is granted for quotation of the New Shares on ASX. It is expected that allotment of the New Shares will take place by 17 May 2007.

## **1.6 Rights attaching to New Shares**

New Shares issued under this Offer will be Shares in SGV.

Full details of the rights attaching to Shares are set out in SGV's constitution, a copy of which may be inspected at SGV's registered office.

A summary of the rights follows.

### **Dividend entitlement**

Dividends are declared by the Directors at their discretion and subject to any special rights (at present there are none) are payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up on those Shares.

The New Shares will participate in all dividends declared after their allotment and rank equally with existing Shares.

### **Voting rights**

At a general meeting every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and every shareholder present in person or by proxy, attorney or representative has one vote for each Share on a poll.

### **Transfer of Shares**

Generally, Shares are freely transferable. Where the ASX Listing Rules or the law require SGV to do so, the Directors must decline to register a transfer.

### **Future increases in capital**

The allotment or issue of any Shares of SGV is under the control of the Directors who may, subject to the Corporations Act and the ASX Listing Rules, allot or otherwise dispose of them on such conditions as they see fit.

### **Variation of rights**

The rights and privileges attaching to Shares can be altered by special resolution of the Shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting.

### **Rights on winding up**

In the event of a winding up of SGV:

- any surplus will be divided among the Shareholders in the proportion that the amount paid up on the Shares bears to the total amount paid up on all Shares of SGV on issue;

- surplus assets in kind may, with the sanction of a special resolution, be divided among shareholders in such proportion as the liquidator may determine.

## **1.7 Overseas Shareholders**

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The Offer is not being extended to, and New Shares will not be allotted to, shareholders with a registered address which is outside Australia and New Zealand (the Excluded Shareholders).

SGV has decided that it is unreasonable to make the Offer to Excluded Shareholders having regard to:

- the number of Excluded Shareholders in the place where the Offer would be made;
- the number and value of New Shares the Excluded Shareholders would be offered;
- the cost of complying with the legal requirements and requirements of a regulatory authority, in the respective overseas jurisdictions.

In compliance with Listing Rule 7.7.1, SGV has appointed a nominee to arrange for the sale of the Rights which would have been granted to Excluded Shareholders, and to account to them for the net proceeds of the sale (if any). The nominee appointed by SGV for this purpose may in its sole discretion determine the price at which the Rights may be sold and the manner of any such sale. Neither SGV nor the nominee will be subject to any liability for failure to sell the Rights or to sell the Rights at any particular price.

The net proceeds of the sale (if any), after deducting all costs involved in the sale (including brokerage) and subsequent distribution of such proceeds, will be distributed in due proportion to each of the Excluded Shareholders for whose benefit the Rights would have been sold.

If, in the nominee's opinion, there is no viable market for the Rights of Excluded Shareholders, such Rights will be allowed to lapse with no payment to Excluded Shareholders.

The distribution of this Prospectus outside Australia may be restricted by law and anyone who receives this Prospectus should consult his, her or its professional advisers to determine whether any government or other consents are required or formalities need to be observed.

Lodgement of an Entitlement and Acceptance Form will be taken by SGV to constitute a representation by the Applicant that no breaches of any overseas law or regulation have occurred.

Applicants who are nominees or who propose to act as nominees should consult their professional advisers.

## **1.8 Allotment and Allocation Policy**

SGV will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Shareholders to their Entitlements under the Prospectus, the shortfall will pass to the Underwriter.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

## **1.9 Chess**

SGV will apply to the ASX for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS. CHESS is operated by the ASX's Securities Clearing House ("SCH") in accordance with that ASX Listing Rules and the SCH Business Rules. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in SGV during a particular month.

## **1.10 Rights Trading**

Entitlements to New Shares pursuant to the Issue are renounceable and therefore may be sold by you. It is proposed that the rights trading on the ASX will commence on 13 April 2007 and cease on 4 May 2007. Further details are set out in section 2.1 of this Prospectus.

## **1.11 Minimum Subscription**

There is no minimum subscription to the Issue.

## **1.12 Underwriting**

The issue is fully underwritten by CPVL, a company associated with Mr Andrew Parkinson and Mr Rex Watson, directors of SGV, as responsible entity of the Coonawarra Australia Property Trust (ARSN 104 335 159). The Underwriter has agreed to underwrite the whole of the issue for a fee of 5% plus 3,000,000 options exercisable at \$0.10 and expiring at 5pm (Adelaide time) on 30 November 2009.

At the due date of this Prospectus, CPVL, through its association with Mr Parkinson and Mr Watson, has a relevant interest in, and therefore voting power, in 13,578,077 Shares representing some 19.11% of SGV's current issued capital.

If, under the Underwriting Agreement, CPVL is required to take up the whole of the Issue on the basis that no Shareholders took up their Entitlement, CPVL would thereby obtain the relevant 35,517,700 New Shares being a 46.08% holding in SGV's expanded issued capital.

Details of the Underwriting Agreement are set forth more particularly in section 4.1 of this Prospectus.

### 1.13 Options

Options to take up Shares have been granted as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
7 April 2004	30 Nov 08	\$0.22	1,200,000
7 April 2004	30 Nov 09	\$0.26	1,200,000
7 April 2004	30 Nov 09	\$0.30	600,000
7 April 2004	30 Nov 08	\$0.22	4,300,000
7 April 2004	30 Nov 09	\$0.26	3,500,000
7 April 2004	30 Nov 09	\$0.30	1,800,000
TOTAL			12,600,000

### 1.14 Financial Position

The capital structure of SGV is set out later both as at 30 June 2006 and 31 December 2006 and as a pro forma reflecting the take up of the rights issue.

SGV's cash resources have now been significantly depleted to less than \$300,000 due to trading losses over the last two years.

SGV has recently renegotiated banking arrangements with its financial institution to release funds held on deposit. These temporary funding arrangements have been granted on the basis that this underwritten rights issue is made. The financial institution has not informed SGV what additional steps it may take (if any) if the underwritten rights issue does not proceed.

The Directors do not believe that there will be any improvement in the operating results for the current year and as such estimate an operating loss in the order of \$1.75M.

SGV will also be undertaking a sale of surplus inventories and assets with a revaluation of remaining assets prior to 30 June 2007.

### 1.15 Outlook

The recapitalisation of SGV will provide additional working capital (for example, to fund and support an improved marketing and sales program). In the interim, surplus funds will be used for the short term reduction in borrowings.

As the Cassegrain business and Simon Gilbert business continue their integration it is expected to result in further cost efficiencies and the ability to spread overhead costs across a larger sales base. More focussed marketing efforts will be directed to both the domestic and export markets.

The Directors in conjunction with their advisers will conduct a review of all carrying values of all the assets to realign the values closer to current market values and reflect the present difficult circumstances of the wine industry. This review is likely to reduce the carrying values in the financial

accounts of those assets prior to 30 June 2007. However, until that review is completed, the Directors are not able to determine the size and significance of any reduction.

It is considered that there will be no material improvement in financial performance in the short-term, and it is anticipated that there will be a further loss in the 6 month period 1 January 2007 to 30 June 2007.

In the current industry environment, the Directors consider that SGV is unlikely to return to profitability until at least the 2008/09 financial year.

#### **1.16 No Forecasts**

The Directors believe that they do not have a reasonable basis to forecast future earnings on the basis that the business currently operated by SGV is running at a loss. A review will be undertaken by the new Board to set and pursue strategies for the future. It is unlikely that there will be a positive financial outcome until at least the 2008/09 financial year.

Although SGV will seek to ensure that strategies are pursued to ensure continuing development of its businesses, the potential scale of revenue generation cannot be reliably predicted. Accordingly, any forecast or projected financial information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable estimate, forecast or prediction in this Prospectus.

Notwithstanding the above statement, there are statements in this Prospectus concerning the envisaged operations of SGV following the completion of the Offer. These forward looking statements are subject to numerous risks. For a discussion of the important risk factors which could cause actual events or results to differ materially from such forward looking statements please refer to section 3.7 in this Prospectus.

## **2. Action required by Applicants**

### **2.1 What you may do**

You may:

- take up your Entitlement to New Shares;
- sell your Entitlement on ASX;
- take up part of your Entitlement and sell the balance on ASX;
- transfer all or part of your Entitlement other than on ASX;
- take up part of your Entitlement and allow the balance to lapse; or
- not take up your Entitlement and allow it to lapse.

#### **If you wish to take up your Entitlement**

Complete the Entitlement and Acceptance Form as instructed on the form. Send your completed form together with your cheque or bank draft for the amount shown on the form in accordance with section 2.2 below, to reach the Share Registry before 5.00pm Sydney time on 11 May 2007.

#### **If you wish to sell your Entitlement on ASX**

Complete the section on the back of the Entitlement and Acceptance Form entitled "Instructions to Your Stockbroker" and lodge the form with your stockbroker. If you are a CHESSE holder, you may contact your stockbroker and ask it to sell your Rights by advising your entitlement number. You must deal with your Rights by the close of trade on ASX on 4 May 2007.

#### **If you wish to take up part of your Entitlement and sell the balance on ASX**

Complete the Entitlement and Acceptance Form for those Rights that you wish to accept. Also complete the section on the back of the form entitled "Instructions to your Stockbroker" for the balance that you wish to sell on ASX. The completed form should be sent to your stockbroker with a bank draft or cheque for the amount for the New Shares you accept. If you are a CHESSE holder, you may contact your stockbroker and ask it to sell your Rights by advising your entitlement number. You must deal with those of your Rights which you wish to sell by the close of trade on ASX on 4 May 2007.

#### **If you wish to transfer all or part of your Entitlement other than on ASX. You can only transfer your Entitlement to an Australian or New Zealand resident**

Send a completed standard renunciation form (obtainable from your stockbroker or from the Share Registry) together with your Entitlement and Acceptance Form and the applicable transferee's cheque or bank draft for the Acceptance Money in accordance with section 2.2 below to reach the Share Registry before 5.00pm Sydney time on 11 May 2007. A reply paid envelope is provided for your use. If you require another Entitlement and Acceptance Form you should contract the Share Registry.

#### **If you wish to take up part of your Entitlement and allow the balance to lapse**

Complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up as instructed on the form. Send your completed form together with your cheque or bank draft for the

amount due for the New Shares you intend to take up in accordance with section 2.2 below to reach the Share Registry before 5.00pm Sydney time on 11 May 2007.

### **Entitlements not taken up**

If you decide not to take up all or part of your Entitlement to New Shares, Rights not taken up will lapse and you will receive no benefit.

SGV reserves the right to reject any Entitlement and Acceptance Form which is not correctly completed or which is submitted by an Applicant other than an Eligible Shareholder or to waive or correct any errors made by an Applicant in completing the Entitlement and Acceptance Form.

Application Money received from ineligible Applicants or accompanying an invalid Entitlement and Acceptance Form will be refunded without interest.

### **2.2 Return of Entitlement and Acceptance Form**

Completed Entitlement and Acceptance Forms and Application Money, where applicable, must be received no later than 5.00pm Sydney time on 11 May 2007:

by post to:

- Simon Gilbert Wines Limited – Share Offer  
PO Box 6243  
Halifax Street  
SA 5000;
- Simon Gilbert Wines Limited – Share Offer  
Registries Limited  
PO Box R67  
Royal Exchange  
Sydney NSW 1223

or lodged by hand at:

- Simon Gilbert Wines Limited – Share Offer  
235 Glen Osmond Road, Frewville SA 5063
- Simon Gilbert Wines Limited – Share Offer  
Registries Limited  
Level 2, 28 Margaret Street  
Sydney NSW 2000

### **2.3 Queries**

Applicants with queries on how to complete the Entitlement and Acceptance Form should call SGV on 08 8338 3400 (within Australia) or + 61 8 8338 3400 (if calling from outside Australia).

### **3. Information about SGV**

#### **3.1 Disclosing entity information**

SGV, as a disclosing entity under the Corporations Act, is subject to regular reporting and disclosing obligations under the Corporations Act and the Listing Rules.

Copies of documents lodged with ASIC in relation to SGV may be obtained from, or inspected at, an office of ASIC.

SGV will provide a copy of the following documents, free of charge, to any person who asks for them during the application period (ie between the date of despatch of this Prospectus to Shareholders, and the Closing Date inclusive):

- the annual financial report (ie. for the year ended 30 June 2006) most recently lodged with ASIC by SGV;
- the half-year financial report (for the period ended 31 December 2006) lodged with ASIC; and
- any continuous disclosure notices given by SGV after the lodgement of the annual financial report for the year ended 30 June 2006 and before the lodgement of a copy of this Prospectus with ASIC.

### 3.2 Capital Structure of SGV

In order to provide a consolidated pro forma balance sheet of the combined SGV Group showing the application of the proceeds of the issue of the renounceable rights issue to existing shareholders pursuant to this Prospectus we have provided the following table for the audited accounts as at 30 June 2006 together with a table for the half yearly accounts as at 31 December 2006 as if it had all happened on 30 June 2006

	Audited consolidated balance sheet 30 June 2006 \$'000	Adjust for Cassegrain acquisition (note 1) \$'000	Application of net proceeds of the issue (notes 2&3) \$'000	Proforma consolidated balance sheet 30 June 2006 \$'000
<b>Current assets</b>				
Cash and cash equivalents	5,122	(700)	(1,071)	3,351
Trade and other receivables	1,354	660	-	2,014
Inventories	2,351	3,133	-	5,484
Other	72	196	-	268
<b>TOTAL CURRENT ASSETS</b>	<b>8,899</b>	<b>3,289</b>	<b>(1,071)</b>	<b>11,117</b>
<b>Non-current assets</b>				
Property, plant & equipment	9,340	1,187	-	10,527
Vineyard	2,100	-	-	2,100
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,440</b>	<b>1,187</b>	<b>-</b>	<b>12,627</b>
<b>TOTAL ASSETS</b>	<b>20,339</b>	<b>4,476</b>	<b>(1,071)</b>	<b>23,744</b>
<b>Current liabilities</b>				
Trade and other payables	798	1,989	-	2,787
Borrowings	3,694	243	(3,230)	707
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,492</b>	<b>2,232</b>	<b>(3,230)</b>	<b>3,494</b>
<b>Non-current liabilities</b>				
Borrowings	3,266	1,419	-	4,685
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,266</b>	<b>1,419</b>	<b>-</b>	<b>4,685</b>
<b>TOTAL LIABILITIES</b>	<b>7,758</b>	<b>3,651</b>	<b>(3,230)</b>	<b>8,179</b>
<b>NET ASSETS</b>	<b>12,581</b>	<b>825</b>	<b>2,159</b>	<b>15,565</b>
<b>EQUITY</b>				
Issued capital	33,407	-	2,159	35,566
Retained earnings	(20,826)	-	-	(20,826)
Parent entity interest	12,581	-	2,159	14,740
Outside equity interest	-	825	-	825
<b>TOTAL EQUITY</b>	<b>12,581</b>	<b>825</b>	<b>2,159</b>	<b>15,565</b>

#### Pro forma adjustments

Note 1 Balance sheet of Cassegrain Wines business acquired on 21 August 2006.

Note 2 The renounceable rights issue of shares to existing shareholders on a one for two basis at \$0.065 to raise approximately A\$2,309,000 less costs of the issue estimated to be approximately \$150,000.

Note 3 The elimination of an anomaly present in the 30 June 2006 balance sheet whereby a commercial bill of \$3,230,000 that expired on 28 June 2006 was not recouped by the provider until 3 July 2006 and was included in both cash and borrowings as at 30 June.

Note 4 The cash proceeds received from the renounceable rights issue have been shown in the cash and cash equivalents above, whereas in practice these may be offset in the short term against the current liabilities – borrowings.

A consolidated proforma balance sheet of the combined SGV Group of the issue of renounceable rights to existing shareholders pursuant to the Prospectus as if it had all happened on 31 December 2006

	Audited consolidated balance sheet 30 June 2006	Reviewed consolidated balance sheet 31 December 2006	Application of net proceeds of the issue (notes 2&3)	Proforma consolidated balance sheet 31 December 2006
	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>				
Cash and cash equivalents	5,122	1,030	2,159	3,189
Trade and other receivables	1,354	2,380	-	2,380
Inventories	2,351	5,366	-	5,366
Other	72	155	-	155
<b>TOTAL CURRENT ASSETS</b>	<b>8,899</b>	<b>8,931</b>	<b>2,159</b>	<b>11,090</b>
<b>Non-current assets</b>				
Property, plant & equipment	9,340	9,556	-	9,556
Vineyard	2,100	2,100	-	2,100
Intangible assets	-	531	-	531
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,440</b>	<b>12,187</b>	<b>-</b>	<b>10,087</b>
<b>TOTAL ASSETS</b>	<b>20,339</b>	<b>21,118</b>	<b>2,159</b>	<b>21,177</b>
<b>Current liabilities</b>				
Trade and other payables	798	2,423	-	2,423
Borrowings	3,694	2,033	-	2,033
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,492</b>	<b>4,456</b>	<b>-</b>	<b>4,456</b>
<b>Non-current liabilities</b>				
Borrowings	3,266	4,610	-	4,610
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,266</b>	<b>4,610</b>	<b>-</b>	<b>4,610</b>
<b>TOTAL LIABILITIES</b>	<b>7,758</b>	<b>9,066</b>	<b>-</b>	<b>9,066</b>
<b>NET ASSETS</b>	<b>12,581</b>	<b>12,052</b>	<b>2,159</b>	<b>12,111</b>
<b>EQUITY</b>				
Issued capital	33,407	33,407	2,159	35,566
Retained earnings	(20,826)	(21,714)	-	(21,714)
Parent entity interest	12,581	11,693	2,159	13,852
Outside equity interest	-	359	-	359
<b>TOTAL EQUITY</b>	<b>12,581</b>	<b>12,052</b>	<b>2,159</b>	<b>14,211</b>

Note 1 Balance sheet of Cassegrain Wines business acquired on 21 August 2006.

Note 2 The renounceable rights issue of shares to existing shareholders on a one for two basis at \$0.065 to raise approximately A\$2,309,000 less costs of the issue estimated to be approximately \$150,000.

Note 3 The cash proceeds received from the renounceable rights issue have been shown in the cash and cash equivalents above, whereas in practice these may be offset in the short term against the current liabilities – borrowings.

### 3.3 Directors' and other persons' interests

The securities of SGV in which Directors have relevant interests are:

Director	Shares
Andrew Parkinson	13,578,077
Rex Watson	13,578,077

These Shares are held by CPVL, of which Messrs Andrew Parkinson and Rex Watson are directors.

Details of the nature and amount of each element of the remuneration of each Director who has been appointed at the date of this Prospectus on a per annum basis are set out below:

Name	Salaries Fees and Commissions	Cash Bonus	Superannuation	Options (Note 4)
Andrew Parkinson Managing Director (Note5)	150,000	Note (3)	15,000	
Sue Henderson (Note1) Director	20,000		2,000	
Peter Cleaves (Note2) Director	20,000		2,000	
Rex Watson Director	20,000		2,000	

Note (1) Consulting fees of \$3,000 per month are also being paid to a related entity for sales and marketing advice.

Note (2) Consulting fees of \$3,000 per month are also being paid to a related entity for sales and marketing advice.

Note (3) A cash bonus of up to \$20,000 per annum may be earned subject to performance hurdles.

Note (4) It is intended that the directors be issued performance options the terms and number of options which are yet to be determined – on finalisation of any proposal the details will be put to the shareholders for approval.

Note (5) The remuneration for Andrew Parkinson will commence from 5 April (date of appointment of managing director). Prior to that date and from the date of his appointment as director Andrew Parkinson was being paid directors fees of \$20,000 per annum plus superannuation of \$2,000 per annum.

Except as set out in this Prospectus:

- no Director or proposed Director;
- any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor
- the Underwriter

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, any interests in:

- the formation or promotion of SGV; or

- any property acquired or proposed to be acquired by SGV in connection with the formation or promotion of SGV or with the Offer;
- or the Offer,

nor has anyone paid or agreed to pay any amount or given or agreed to give any benefit to such persons in connection with:

- the promotion or formation of SGV;
- with the Offer; or
- to induce a Director (or proposed Director) to become or to qualify as a Director.

### **3.4 Market Prices on ASX**

The last sale price of Shares on ASX on 4 April 2007, the last day on which the Shares were traded on ASX before the announcement of the Offer, was A\$0.067.

The highest and lowest sale prices during the three months immediately before 5 April 2007 were:

- highest - A\$0.075 on 17 January 2007
- lowest - A\$0.051 on 14 January 2007.

### **3.5 Notice to persons outside Australia**

This Offer is subject to the disclosure requirements of Australia. This Prospectus has been prepared in accordance with Australian requirements and style and differs from the requirements and style in jurisdictions outside Australia, for disclosure documents prepared for offering securities. Financial information included in this Prospectus has been prepared in accordance with Australian accounting standards and may not be comparable to the financial statements prepared in accordance with accounting standards in jurisdictions outside Australia.

### **3.6 Investment decision**

This Prospectus does not take into account the individual investment objectives, financial situation and particular needs of any Shareholder.

### **3.7 Risk Factors**

Before deciding to take up New Shares, you should consider whether the New Shares are a suitable investment for you.

There are general risks associated with owning shares in publicly listed companies. The price of shares can go down as well as up because of factors outside the control of SGV. These factors include:

#### **General Economic Climate**

SGV's future revenues and operating costs can be affected by such factors as supply and demand for goods and services, industrial disruption, interest rates, currency fluctuation, inflation and global economic conditions. Accordingly, the future profitability and share prices of SGV may be affected by these factors. These factors are beyond the control of SGV.

#### **Global security environment**

Outbreak of hostilities or a material escalation of hostilities including a declaration of war in major countries in the world or terrorist acts perpetrated on any major countries or any diplomatic, military, commercial or political establishment of any major countries anywhere in the world may affect the global economic and commercial environment and in turn affect SGV's future revenues and operating costs and Share prices.

#### **Status of SGV Business**

SGV is subject to all the usual risks encountered by wine companies including cash flow and the continuity of personnel.

## **Climatic**

Adverse climatic conditions affecting vineyard areas may prevent access to those areas and not allow SGV's activities to be carried out in an efficient manner, and hamper production operations.

## **Environmental impact constraints**

SGV's operations will, in general, be subject to approval by governmental authorities (e.g. planning and environmental).

## **Funding and Finance Risk**

Net proceeds from the Offer will be used for additional working capital (for example, to fund and support an improved marketing and sales program). In the interim, surplus funds will be used for the short term reduction in borrowings. Further details are provided in sections 1.14 and 1.15 of this Prospectus. Funding for further working capital (if required) beyond the proceeds of the Offer will be dependent on sales revenue, the nature and scale of SGV's activities in the forthcoming financial year and the terms of funding facilities. Such further working capital (if required) may be funded by either debt or equity. The success or otherwise and the pricing of that additional funding (if any) will be dependent on the then prevailing market conditions.

## **Rights Issue Risk**

Existing Shareholders' interests will be diluted if they do not take up their Entitlements.

## **Insurance**

SGV maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of SGV.

## **Grape and Wine Prices**

SGV's performance relies on prevailing market prices for wine and grapes. Adverse price movements for wine and grapes may have a material adverse effect on SGV.

## **Interest Rate Volatility**

A change in interest rates would be expected to result in a change in the interest cost to SGV.

## **Changes in government policy and laws**

Changes in government policy (such as in relation to taxation) or statutory changes may affect SGV and the value of an investment in SGV.

## **Reliance on Key Personnel**

SGV's prospects depend in part on its ability of its executive officers and senior management to operate effectively both independently and as a group. To manage its growth SGV must attract and retain highly qualified management and marketing personnel to implement and improve operational, financial and management information systems.

### **Stock Market Volatility**

A number of factors affect the performance of stock market investments which could also affect the price at which Shares trade on ASX. Among other things, the Australian stock market may be affected by movements on international stock markets, local interest rates and exchange rates, domestic and international economic conditions, the price of wine and grapes as well as government taxation and other policy changes.

### **Competition Risk**

There continues to be strong competition in the global wine industry which is the market in which SGV operates. Whilst measures will be put in place to increase market share, there always remains a possibility that SGV may continue to lose market share.

### **3.8 Taxation**

The potential tax effects relating to the Offer on a holder of New Shares will vary between Shareholders. Shareholders should satisfy themselves of possible tax consequences by consulting your own professional tax advisers.

### **3.9 Privacy**

If you apply for New Shares, you will provide personal information to SGV and the Share Registry. Such information will be used to assess your application for New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

Access to the information may be provided to SGV's agents and service providers on the basis that they deal with such information in accordance with the Privacy Act 1988 (Commonwealth).

Under the Privacy Act, you may request access to your personal information held by or on behalf of SGV or the Share Registry. You can request access to your personal information by contacting the Share Registry.

A fee may be charged to access to your personal information.

## 4. ADDITIONAL INFORMATION

### 4.1 Underwriting Agreement

SGV entered into the Underwriting Agreement with CPVL ("the Underwriter") on 5 April 2007.

Set out below is a summary of the material terms of the Underwriting Agreement. Unless expressed to the contrary, the terms used in this section are as defined in the Underwriting Agreement.

The Underwriter has agreed to underwrite the Offer in accordance with the terms contained in the Underwriting Agreement and subject to a condition precedent that on signing of the Underwriting Agreement:

- Mr Andrew Bursill and Mr Paul Pacino resign as Directors; and
- Mr Rex Watson, Ms Sue Henderson and Mr Peter Cleaves (or such other persons agreed to by the Underwriter if for whatever reason the proposed new directors do not consent to such appointment) be appointed as Directors.

The condition precedent has been satisfied as at the date of this Prospectus.

SGV has agreed to pay the Underwriter an underwriting fee of 5 per cent of the amount underwritten by the Underwriter, namely the amount to be raised by the Offer, plus 3,000,000 call options over Shares exercisable at \$0.10 and expiring at 5pm (Adelaide time) on 30 November 2009.

SGV has agreed to indemnify the Underwriter in respect of all reasonable costs of and incidental to the Issue, and indemnify the Underwriter and related parties against all liabilities, losses, costs or expenses arising out of the Prospectus and associated documents to the Issue.

The Underwriting Agreement provides that the Underwriter may terminate its obligations to underwrite the Offer upon the happening of the following (each an "Event of Termination"):

- a) **lodgement of prospectus** - the Prospectus is not lodged with ASIC on or before the Lodgement Date;
- b) **withdrawal of consent to prospectus** - any person other than the Underwriter whose consent is necessary for the issue of the Prospectus withdraws that consent;
- c) **prospectus misleading** - the Underwriter becomes aware of any:
  - i. information in the Prospectus which is untrue, incorrect or misleading in a material way; or
  - ii. material omission from the Prospectus;

which in the reasonable opinion of the Underwriter has or is likely to have a Material Adverse Effect;

- d) **supplementary or replacement prospectus** - SGV informs the Underwriter of any deficiency or new circumstance under clause 11.1(d);
- e) **default** - SGV materially breaches the Underwriting Agreement and fails to remedy the breach to the reasonable satisfaction of the Underwriter or any warranty or representation by SGV under the Underwriting Agreement is or becomes materially untrue;

- f) **material change** - a change occurs after the date of the Underwriting Agreement affecting or relating to:
- i. SGV or a Subsidiary; or
  - ii. the industry in which SGV or a Subsidiary operates;
- which in the reasonable opinion of the Underwriter has or is likely to have a Material Adverse Effect;
- g) **contravention** - SGV contravenes:
- i. any law, regulation, authorisation, ruling, consent, judgment, order or decree of any Governmental Agency;
  - ii. its constitution or another constituent document;
  - iii. the Listing Rules; or
  - iv. an Encumbrance or document which is binding on:
    1. SGV or a Subsidiary; or
    2. an asset of SGV or a Subsidiary;which in the reasonable opinion of the Underwriter has or is likely to have a Material Adverse Effect;
- h) **issue of prospectus** - the Prospectus is not issued on or by the Opening Date or by such later date as the Underwriter approves in writing;
- i) **ASX** – ASX Approval has not been given by the Closing Date or within 3 months after the date of the Prospectus (whichever is earlier) or ASX refuses or withdraws ASX Approval;
- j) **Insolvency Event** – an Insolvency Event occurs in relation to SGV or a Subsidiary;
- k) **Prescribed Event** – a Prescribed Event occurs in relation to SGV or a Subsidiary except as disclosed in the Prospectus or approved in writing by the Underwriter;
- l) **market movement** - at any time after the date of the Underwriting Agreement:
- i. the All Ordinaries Index is 10% or more below its level as at the close of trading immediately preceding the date of this agreement;
  - ii. the S&P/ASX 200 Index is 10% or more below its level as at the close of trading immediately preceding the date of this agreement; or
  - iii. the S&P/ASX Small Ordinaries Index is 10% or more below its level as at the close of trading immediately preceding the date of the Underwriting Agreement;
- m) **war** - an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of this agreement, or an escalation of hostilities already in existence occurs which in the reasonable opinion of the Underwriter has or is likely to have a Material Adverse Effect;
- n) **change of law** – any Australian government adopts or announces any change in law or policy which in the reasonable opinion of the Underwriter has or is likely to have a Material Adverse Effect; or

- o) **officers and senior managers** – after the date of the Underwriting Agreement an officer or senior manager of SGV or a Subsidiary resigns or is removed from office, is charged with or convicted of a criminal offence or becomes a bankrupt, or steps are taken to achieve such an outcome, and such an event, in the reasonable opinion of the Underwriter, has or is likely to have a Material Adverse Effect.

The Underwriter may continue to underwrite the Issue after the happening of any one or more of the Termination Events, at its sole discretion. In doing so, the Underwriter may reserve its rights to terminate the Underwriting Agreement upon the provision of written notice to SGV which notice shall have immediate effect.

SGV's subsidiaries are:

- (a) Simon Gilbert Wine Services Pty Ltd;
- (b) Cassegrain Wines Pty Ltd;
- (c) Vinone Pty Ltd;
- (d) Vintoo Pty Ltd;
- (e) Vintree Pty Ltd; and
- (f) Vinfor Pty Ltd.

#### **4.2 Consent and Interests of Experts and Advisers**

In accordance with the condition precedent in the Underwriting Agreement:

- Mr Bursill and Mr Pacino resigned as Directors; and
- Mr Cleaves, Mr Watson and Ms Henderson were appointed as Directors,

prior to the Directors approving the lodgement of this Prospectus with ASIC.

Neither Mr Bursill nor Mr Pacino has had any involvement in the preparation of any part of this Prospectus. Mr Bursill and Mr Pacino have not authorised or caused the issue of and expressly disclaim and take no responsibility for any part of this Prospectus. Mr Bursill and Mr Pacino have made no statement included in this Prospectus or on which a statement in this Prospectus is based. Mr Bursill and Mr Pacino, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus.

The following persons or companies have consented to be named in this Prospectus in the capacity nominated and have not withdrawn their consent before the issue of this Prospectus:

- CPVL as underwriter;
- Sneddon McKeown as auditor;
- Fisher Jeffries as solicitor; and
- Registries Limited as share registry.

CPVL has acted as underwriter to the Offer, in respect of which it is entitled to receive fees and commission under the Underwriting Agreement as set out in section 4.1 above. CPVL has made no statement included in this Prospectus or on which a statement in this Prospectus is based. It neither makes nor purports to make any statement in this Prospectus except to the extent of the consent above for reference to its name. CPVL, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name.

Sneddon McKeown has audited the financial accounts as at the 30 June 2006 and also reviewed the half yearly accounts as at 31 December 2006, however, it has not performed any due diligence matters in relation to this Prospectus. It has made no statement included in this Prospectus or on which a statement in this Prospectus is based. It neither makes nor purports to make any statement in this Prospectus except to the extent of the consent above for reference to its name.

Fisher Jeffries has acted as solicitor to the Offer and has performed work in relation to the Prospectus and in relation to legal due diligence matters. In respect of this work, SGV estimates that it will pay approximately \$30,000 (excluding disbursements and GST) to Fisher Jeffries. Further amounts may be paid to Fisher Jeffries in accordance with its normal time base charges. Fisher Jeffries has made no statement included in this Prospectus or on which a statement in this Prospectus is based. It neither makes nor purports to make any statement in this Prospectus except to the extent of the consent above for reference to its name.

Registries Limited has had no involvement in the preparation of any part of this Prospectus other than recording of its name as the Share Registry to SGV. Registries Limited has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this Prospectus. It has made no statement included in this Prospectus or on which a statement in this Prospectus is based.

#### **4.3 Expenses of the Offer**

All expenses connected with the Offer are being borne by SGV. Total expenses of the Offer are estimated to be in the order of \$150,000.00.

#### **4.4 Other material information**

To the best of the Directors' knowledge and belief, this Prospectus contains all information that investors and their professional advisers would reasonably require to make an informed assessment of the effect of the Offer on SGV and the rights and liabilities attaching to the New Shares.

#### **4.5 Authorisation**

This Prospectus is issued by SGV.

Each Director has given and has not withdrawn, their consent to lodgement of this Prospectus with ASIC.



**Andrew Parkinson**  
Managing Director

## Glossary

<b>A\$</b>	Australian dollars
<b>Applicant</b>	A person or corporation who submits an Entitlement and Acceptance Form
<b>Application Money</b>	A\$0.065 multiplied by the number of New Shares applied for by an Applicant
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Stock Exchange Limited ABN 98 008 624 691
<b>Auditor</b>	Sneddon McKeown
<b>Closing Date</b>	5pm (Sydney time) on 11 May 2007
<b>Corporations Act</b>	The Corporations Act (Cth) 2001
<b>CPVL</b>	Coonawarra Premium Vineyards Limited (ACN 086 944 265), as responsible entity of the Coonawarra Australia Property Trust (ARSN 104 335 159)
<b>Directors</b>	Directors of SGV as at the date of this Prospectus
<b>Eligible Shareholders</b>	The persons or corporations with a registered address in Australia who hold or held Shares
<b>Entitlement</b>	That number of New Shares a Shareholder is entitled to subscribe for as part of the Issue based on 1 New Share for every 2 Shares held at the Record Date
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form accompanying the Prospectus
<b>Excluded Shareholder</b>	A Shareholder at the Record Date with a registered address outside Australia or New Zealand.
<b>Listing Rules</b>	The Listing Rules of ASX
<b>New Shares</b>	Shares to be issued pursuant to this Prospectus
<b>Offer</b>	The offer to subscribe for New Shares pursuant to this Prospectus by paying \$0.065 for each New Share
<b>Prospectus</b>	This Prospectus dated 5 April 2007
<b>Record Date</b>	5pm (Sydney time) on 19 April 2007
<b>Right</b>	Right to subscribe for 1 New Share for every 2 Shares held at the Record Date

<b>SGV</b>	Simon Gilbert Wines Limited ABN 99 000 094 995
<b>Share Registry for SGV</b>	Registries Limited ABN 14 003 209 836
<b>Shareholder</b>	Registered holder of a Share
<b>Shares</b>	Fully paid ordinary shares in the capital of SGV
<b>Underwriter</b>	Coonawarra Premium Vineyards Limited (ACN 086 944 265), as responsible entity of the Coonawarra Australia Property Trust (ARSN 104 335 159)

# Corporate directory

## Directors

Andrew Parkinson *Chief Executive Officer  
and Managing Director*

Peter Cleaves *Non Executive Director  
(appointed 5 April 2007)*

Sue Henderson *Non-Executive Director  
(appointed 5 April 2007)*

Rex Watson *Non-Executive Director  
(appointed 5 April 2007)*

*\*Andrew Bursill Non Executive Director  
(resigned 5 April 2007)*

*\*Paul Pacino Managing Director (resigned  
5 April 2007)*

**\*Note:** In accordance with the condition precedent in the Underwriting Agreement, Mr Bursill and Mr Pacino resigned prior to the Directors approving the lodgement of this Prospectus with ASIC, and have only been included for completeness.

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## Company Secretaries

Charlie Latham  
Yuri Van der Walt

## Auditor

Sneddon McKeown  
2<sup>nd</sup> Floor, 175 Scott Street  
Newcastle NSW 2320

## Registered office

235 Glen Osmond Road  
Frewville SA 5063  
Telephone: +61 8 8338 3400  
Facsimile: +61 8 8338 3244  
Email for enquiries regarding the  
Prospectus:  
prospectus@simongilbertwines.com.au  
Website: www.simongilbertwines.com.au

## Share Registry for SGV

Registries Limited  
Level 2, 28 Margaret Street  
Sydney NSW 2000  
Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664

## Lawyers

Fisher Jeffries  
SGIC Building  
211 Victoria Square  
Adelaide SA 5000

# Simon Gilbert Wines Limited

A.B.N. 99 000 094 995  
**SHARE REGISTRY:**  
 Registries Limited  
 Level 2, 28 Margaret Street  
 Sydney NSW 2000

STOCK BROKER USE ONLY		
Date	Entitlement Reduced to	Signed By

## ENTITLEMENT & ACCEPTANCE FORM

**Renounceable Rights Issue of 1 New Share for every 2 Ordinary Shares held at a price of A\$0.065 per New Share payable on acceptance**

Subregister:

Entitlement No.:

Rights to New Shares	X	Amount per New Share payable on application <b>A\$0.065</b>	=	Total amount payable

If you wish to accept your **FULL RIGHTS** please complete and return this Form **WITH YOUR PAYMENT FOR THE TOTAL AMOUNT SHOWN ABOVE**. The return of this Form by 5:00pm Sydney time on 11 May 2007 with payment will constitute acceptance of the Offer.

If you wish to accept **PART ONLY OF YOUR RIGHTS** please complete this Form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted, being <u>not more than</u> the Rights above	X	Amount per New Share payable on application <b>A\$0.065</b>	=	Amount of cheque/s/bank draft attached <b>\$</b>

ALL CHEQUES/BANK DRAFTS SHOULD BE MADE PAYABLE TO SIMON GILBERT WINES LIMITED – SHARE OFFER ACCOUNT, crossed "Not negotiable" and forwarded with this Form to REGISTRIES LIMITED, Level 2, 28 Margaret St, Sydney NSW 2000 or PO Box R67, Royal Exchange, Sydney, NSW 1223 and must reach that address by **5:00 pm, Sydney time on 11 May 2007**.

### CHEQUE DETAILS – PLEASE COMPLETE

DRAWER	CHEQUE NO.	BANK	BRANCH (BSB)	AMOUNT OF CHEQUE

### YOUR CONTACT DETAILS – PLEASE COMPLETE

CONTACT NAME	TELEPHONE – WORK	TELEPHONE – MOBILE	TELEPHONE - HOME

Return of this Form with your payment to Registries Limited by 5:00 pm Sydney time on 11 May 2007 will constitute acceptance of the Offer. No signature is required. Upon allotment of the New Shares above, you agree to hold those shares subject to the constitution of the Company.

### IMPORTANT: THIS DOCUMENT IS OF VALUE AND REQUIRES YOUR IMMEDIATE ATTENTION

If in doubt consult your stockbroker, solicitor, accountant or other professional advisor without delay.

## Privacy Statement:

Registries Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website ([http://www.registriesltd.com.au/help/share\\_privacy.html](http://www.registriesltd.com.au/help/share_privacy.html)).

## INSTRUCTIONS

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### A To accept all New Shares offered

Return this Form with your cheque/bank draft for the full amount of your Rights, to Registries Limited, P.O.Box R67, Royal Exchange Sydney NSW 1223 or Level 2, 28 Margaret Street Sydney NSW 2000 by 5:00 pm Sydney time on **11 May 2007**. No signature is required.

### B. To accept some of the New Shares offered and sell the remaining Rights through a stockbroker

Insert in the boxes on the front of this Form:

- i) the number of New Shares accepted; and
- ii) the amount of the cheque/bank draft for those New Shares.

Indicate in the "Instructions to Your Stockbroker" section below, the number of New Shares you intend to accept, the amount of your cheque/bank draft for those New Shares and the number of Rights which you intend to sell.

Send the Form to your stockbroker with your cheque/bank draft for the amount due in respect of New Shares accepted. No signature is required.

**Rights trading commences on 13 April 2007 and ceases on 4 May 2007 by which time any sale of part of your Rights must be completed.**

### C To sell all your Rights through a stockbroker

Insert the information required in the "Instructions to Your Stockbroker" section below. Send this Form to your stockbroker. No signature is required. Sale of your Rights must be completed by **4 May 2007** when Rights trading ceases.

### D. To renounce some or all of your Rights other than through a stockbroker

Obtain a Standard Renunciation Form from your stockbroker or Registries Limited. Complete the Standard Renunciation Form with the number of Rights you are renouncing, making sure that it is signed by both you and the buyer and your SRN (Securityholder Reference Number) is noted.

If you are accepting some of the New Shares offered, insert in the boxes on the front of this Form:

- i) the number of New Shares accepted, and
- ii) the amount of your cheque/bank draft for those New Shares.

If you are renouncing all of your Rights, lodge the Standard Renunciation Form with Registries Limited by 5:00pm Sydney time on **11 May 2007**, together with the applicable buyer's cheque/bank draft. No signature is required.

If you are renouncing some of your Rights, lodge both the Standard Renunciation Form and this Form with Registries Limited by 5:00pm Sydney time on **11 May 2007**, together with your cheque/bank draft for any New Shares you are accepting and the applicable buyer's cheque/bank draft. No signature is required.

### E. To accept some of the New Shares and allow the remaining Rights to lapse

Insert in the boxes on the front of this Form:

- i) the number of New Shares accepted; and
- ii) the amount of your cheque for these New Shares.

Return this Form with your cheque/bank draft to Registries Limited by 5:00 pm Sydney time on **11 May 2007**. No signature is required.

A reply paid envelope is enclosed for your convenience.

**IMPORTANT NOTE:** This Offer is not being made in any jurisdiction other than Australia and New Zealand. In accepting your Rights you represent and warrant that (unless otherwise agreed with the Company) you are not in any jurisdiction other than Australia or New Zealand and are not acting on a non-discretionary basis for the account or benefit of any person in a jurisdiction other than Australia or New Zealand.

If you have any questions, please contact Registries Limited for assistance on (02) 9290 9600

Instructions to Your Stockbroker

To be completed and sent to your stockbroker only if you wish to sell the whole or part of your Rights.

Please insert the appropriate number in each of the boxes below

Number of the New Shares which I intend to ACCEPT

--

Number of Rights which I intend to SELL

--

I attach a cheque/bank draft\* for the full amount of New Shares accepted.

\$
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