



Coonawarra Premium Vineyards Limited

AFS Licence Number: 226243

ABN 58 086 944 265

13 July 2007

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Dear Sirs

**Company Takeover – Lodgement of Bidder’s Statement concerning CPV Wines Limited
(ACN 094 489 639)**

I am a director of Coonawarra Premium Vineyards Limited (ACN 086 944 265).

Pursuant to the ASX Listing Rules Chapter 3, we now lodge a copy of a Bidder’s Statement dated 13 July 2007 concerning an off market takeover bid by Coonawarra Premium Vineyards Limited (ACN 086 944 265) as responsible entity for the Coonawarra Australia Property Trust (ARSN 104 335 159), for all issued shares in CPV Wines Limited (ACN 094 489 639).

Yours faithfully

ANDREW PARKINSON

Director of Coonawarra Premium Vineyards Limited

Encl.

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BIDDER'S STATEMENT
in relation to an off-market bid

BY

COONAWARRA PREMIUM VINEYARDS LIMITED (ACN 086 944 265)
as responsible entity for
COONAWARRA AUSTRALIA PROPERTY TRUST (ARSN 104 335 159)

CONCERNING

CPV WINES LIMITED (ACN 094 489 639)

To acquire all of your shares in CPV Wines Limited for

\$18 for every one 1 share held

Pursuant to Part 6.5 of the Corporations Act 2001

This document is important and requires your immediate attention. Please read it carefully and consult your legal, financial, taxation or other professional adviser immediately.

TABLE OF CONTENTS

PART 1 - INTRODUCTION

1.	INTRODUCTION	3
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PART 2 - THE BIDDER

2.	BIDDER	4
3.	TRUST	4
3.1	Introduction to the Trust.....	4
3.2	The businesses of the Trust.....	4
3.3	The directors of the Bidder.....	5
3.4	Capital of the Trust.....	5

PART 3 - CPV WINES

4.	BIDDER'S INTENTIONS FOR CPV WINES	6
5.	COMPULSORY ACQUISITION	7
6.	SHARE CAPITAL OF CPV WINES	7

PART 4 - INFORMATION IN RELATION TO THE CASH CONSIDERATION

7.	BID FUNDING	9
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PART 5 - ABOUT THE OFFER

8.	OFFER	12
8.1	Date.....	12
8.2	Holdings.....	12
8.3	Full bid.....	12
8.4	Offer consideration.....	12
8.5	Offer period	12
8.6	Variation of offers	12
8.7	Withdrawal of offers	12
8.8	Offers Conditional	13

PART 6 - ACCEPTANCE

9.	ACCEPTANCE	14
9.1	How to accept this offer to buy CPV Wines Shares.....	14
9.5	Withdrawal of an acceptance.....	14
10.	AUTHORITIES TO THE BIDDER	14

PART 7 - TAKEOVER CONTRACT

11.	TAKEOVER CONTRACT	15
12.	DEFEATING CONDITIONS	15
12.1	Scope of the conditions.....	15
12.2	Nature of the conditions	17
12.3	Release of the conditions.....	17
12.4	Notice of status of the conditions	17
12.5	Failure of the conditions.....	17

PART 8 - PAYMENT

13.	PAYMENT	18
-----	----------------------	-----------

PART 9 - OTHER INFORMATION

14.	ADDITIONAL DISCLOSURES	19
15.	REGULATORY APPROVALS	19
16.	TAXATION IMPLICATIONS	19
17.	OTHER MATTERS	19
18.	INTERPRETATION	20

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PART 1 - INTRODUCTION**1. INTRODUCTION**

- 1.1 This document is a bidder's statement by Coonawarra Premium Vineyards Limited (ACN 086 944 265) ("**CPVL**") as responsible entity for the Coonawarra Australia Property Trust (ARSN 104 335 159) ("**Trust**") ("**Bidder**") for an off-market takeover bid to acquire from persons ("**holders**") all their ordinary shares ("**CPV Wines Shares**") in CPV Wines Limited (ACN 094 489 639) ("**CPV Wines**") for \$18 per share.
- 1.2 This takeover bid is regulated by the Act. This document is dated 13 July 2007 and was lodged with ASIC on that date. ASIC takes no responsibility for the content of this document.
- 1.3 All the terms of the offers are in this bidder's statement. In summary:
- 1.3.1 the offers are dated 13 July 2007;
 - 1.3.2 the offers close 7 pm CST on 13 August 2007 (unless extended in compliance with the Act);
 - 1.3.3 an offer is to acquire all (not some only) of each holder's CPV Wines Shares;
 - 1.3.4 all offers are for cash consideration only;
 - 1.3.5 the offers are subject to some conditions; and
 - 1.3.6 all offers are identical.
- 1.4 Details of the offers are set out in Parts 5 and 7 of this bidder's statement. All CPV Wines Shares acquired by the Bidder pursuant to the takeover bid will ultimately be held by Australian Executor Trustees (SA) Limited (ABN 23 007 870 644) as custodian of the Trust.
- 1.5 If you have any queries in relation to the offers, please contact Coonawarra Premium Vineyards Limited on 08 8433 0511. For legal reasons, calls to Coonawarra Premium Vineyards Limited must be recorded.

PART 2 - THE BIDDER

2. BIDDER

The Bidder is the trustee and responsible entity of the Trust.

3. TRUST

3.1 Introduction to the Trust

- 3.1.1 The Trust is a registered managed investment scheme listed on the ASX.
- 3.1.2 The Trust is a disclosing body subject to regular reporting and disclosure obligations, including the “continuous disclosure” regime under the Act and ASX Listing Rules.
- 3.1.3 Copies of documents lodged with ASIC in relation to the Trust may be obtained from, or inspected at, an ASIC office. People have the right to obtain a copy of any of the following documents:
- (a) the annual financial report most recently lodged with ASIC by the Trust (at the date of this bidder’s statement, the 2006 Annual Report of the Trust is the most recent);
 - (b) any half-year financial report lodged with ASIC by the Trust after the lodgment of that annual financial report and before the lodgment of the copy of this bidder’s statement with ASIC (at the date of this bidder’s statement, the half year report for the half year ended 31 December 2006 is the most recent); and
 - (c) any continuous disclosure notice given by the Trust after the lodgment of that annual financial report and before the lodgment of the copy of this bidder’s statement with ASIC.

The Bidder will give a copy of each above document free of charge to anyone who asks for it during the offer period.

3.2 The businesses of the Trust

- 3.2.1 CPVL, as the responsible entity, manages the Trust. The custodian of the Trust is Australian Executor Trustees (SA) Limited (ABN 23 007 870 644).
- 3.2.2 The Trust was listed on the ASX in May 2003. The Trust’s principal activity is to make land available to licensees under a 13 year licence agreement to grow wine grapes. The Trust’s main asset is a 245 Ha vineyard in Coonawarra, South Australia. The vineyard comprises 228 Ha planted to premium wine grape vines (93% red varieties and 7% white varieties) plus a 4 bedroom house (used as the vineyard office), a new amenities block and advanced chemical storage and loading sheds. The vineyard is protected by a diesel operated “Dan Flipper” integrated frost protection system and irrigated by an electric powered drip irrigation system. The vineyard is leased to approximately 700 growers who are members of the Coonawarra Premium Vineyards Project, a managed investment scheme registered under the Act. The vineyard is partially contracted at district weighted average prices until 2012 when the scheme comes to an end. An independent valuation of the vineyard as at 30 June 2006, dated August 2006, placed a total value on the land, improvements and grapevines at \$16.7 million (an increase from the 2005 valuation of \$16.35m).
- 3.2.3 In June 2006 the Trust made an investment in Simon Gilbert Wines Limited (“SGV”), a company listed on the ASX through on market purchases of shares. The Trust acquired additional shares via a placement from SGV of

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9,265,486 new shares at \$0.065 each for a total of \$602,256.59. The Trust therefore increased its shareholding to 19.11% of SGV's issued capital.

3.2.4 On 5 April 2007, the Trust agreed to underwrite a rights issue to SGV shareholders on a 1:2 rights issue at \$0.065 to raise approximately \$2.3 million. This issue closed on 11 May 2007. Pursuant to the underwriting agreement, the Trust was required to take up the shortfall of the issue and now has a 37.4% holding in SGV's expanded issued capital.

3.2.5 The Trust is continuing discussions with SGV on options for further collaboration, with a view to exploiting available synergies and growth opportunities.

3.3 **The directors of the Bidder**

3.3.1 The names and particulars of the directors of the Bidder are set out below:

<u>Name</u>	<u>Particulars</u>
Mr Paul H. Miller	B Ag Sci. Aged 50. Non-executive Chairman and Compliance Officer. Paul has over 20 years experience as a research scientist, a consulting horticulturalist, and since 1997 in commercial viticulture. A director of CPVL since 1999, he was appointed as non-executive chairman on 7 February 2006.
Mr Rex L. Watson	Managing Director. Aged 52. Founder in 1991 and Managing Director of a company providing diversified services to the Australian and New Zealand wine industry until the company was acquired by Brambles Limited in 1998. More recently, the driving force behind the development of extensive vineyards in the Coonawarra region and an expanding wine business. Director of CPVL since 1999.
Mr Andrew G. Parkinson	B Comm. LLB. Aged 53. Chief Executive Officer with over 25 years experience at senior management levels in stockbroking, banking and chartered accounting firms. Inaugural Chairman of CPVL and actively involved in the viticulture and wine industry since 1999. He commenced the full time role of Chief Executive Officer with CPVL in January 2003 and oversaw the listing of the Trust in 2003. Appointed a director on 7 February 2006.

As Mr Miller and Mr Watson are also directors of CPV Wines, they have not participated in the preparation of this bidder's statement nor any discussions or decisions at CPVL's board meetings in relation to the bid.

3.4 **Capital of the Trust**

At the date of this bidder's statement, the Trust's issued capital comprised 17,500,000 fully paid units held by 623 Unitholders. All units carry full voting rights. Of these ordinary units the twenty largest holders held 7,533,616 units, equal to 43.05% of all issued units.

PART 3 - CPV WINES

4. BIDDER'S INTENTIONS FOR CPV WINES

- 4.1 Set out below are details of the Bidder's intentions regarding:
- 4.1.1 the continuation of the business of CPV Wines;
 - 4.1.2 any major changes to be made to the business of CPV Wines, including any redeployment of the fixed assets of CPV Wines; and
 - 4.1.3 the future employment of the present employees of CPV Wines.

Business

- 4.2 In its 2006 Annual Report, CPV Wines states that:
- 4.2.1 Its principal activity up to 31 January 2006 was to make land available to licensees under a 15 year licence agreement to grow wine grapes as members of the Coonawarra Premium Vineyards Project No. 2 ("**CPV Project 2**"). Upon the expiry of the licences on 31 January 2006, ownership of the vineyard improvements vested in CPV Wines.
 - 4.2.2 At general meetings of the members of CPV Wines and CPV Project 2 (respectively) held on 31 January 2006, the members voted to restructure CPV Project 2 so that all the assets and liabilities of CPV Project 2 vested in CPV Wines and to wind up CPV Project 2 itself with no further obligation for members to pay fees or costs. The members of CPV Wines also resolved to change the name of the company to CPV Wines Limited.
 - 4.2.3 The winding up of CPV Project 2 commenced on 31 January 2006 and was formally completed in May 2006.
 - 4.2.4 CPV Wines is now the owner and operator of the Vineyard, producing grapes and bulk wine for sale.
 - 4.2.5 CPV Wines has no employees. Various vineyard management services are acquired under contract.
- 4.3 Subject to the qualifications in paragraph 4.7, the Bidder intends to continue to own and operate the Vineyard and produce grapes which will continue to be contracted to Watson Wine Group Pty Ltd.
- 4.4 Subject to the qualifications in paragraph 4.7, the Bidder does not intend any major changes to be made to the business of CPV Wines, including any redeployment of the fixed assets of CPV Wines.
- 4.5 As CPV Wines has no employees, the issue of the Bidder's intention regarding the future employment of such employees is not applicable.

Corporate matters

- 4.6 If CPV Wines becomes a subsidiary of the Bidder, Mr Andrew Parkinson will be appointed to the Board of CPV Wines. Other than Mr Parkinson's appointment, the Bidder does not intend to change the composition of the Board of CPV Wines.

Qualifications

- 4.7 The Bidder's intentions for CPV Wines as stated above are on the basis of information now known to the Bidder at the time of preparation of this bidder's statement. The statements of the Bidder's intentions are statements of current intentions only, as at the date of this bidder's statement. It will be for the directors of CPV Wines (as constituted

after the takeover) to decide the extent (if any) to which those intentions are carried out. The directors of CPV Wines in making those decisions will need to have due regard to their own judgment and applicable law. Accordingly, the Bidder's intentions may change. If there is a material change in the Bidder's intentions during the offer period, the Bidder will advise the holders of that change by way of a supplementary bidder's statement.

5. COMPULSORY ACQUISITION

- 5.1 If entitled under section 661A of the Act, the Bidder intends after the end of the offer period to compulsorily acquire all CPV Wines Shares in which the Bidder does not then have a relevant interest, including any securities issued during or after the offer period.
- 5.2 In any case, if required under section 662A of the Act, the Bidder must after the end of the offer period offer to buy out the remaining holders of CPV Wines Shares. And if required under 663A of the Act, the Bidder must after the end of the offer period offer to buy out the holders of securities that are convertible into CPV Wines Shares (if any).
- 5.3 If for any reason the Bidder did not compulsorily acquire the remaining CPV Wines Shares immediately after the end of the offer period, but the Bidder later became entitled under section 664A of the Act, the Bidder intends to then compulsorily acquire all the CPV Wines Shares in which neither the Bidder nor any related bodies corporate has full beneficial interests, including any securities issued during or after the offer period.

6. SHARE CAPITAL OF CPV WINES

- 6.1 To the Bidder's knowledge and based upon publicly available information lodged at ASIC the substantial shareholders in CPV Wines are:

Name of Shareholder	Number of CPV Wines Shares held	Current voting power (Total number of CPV Wines Shares on issue is 105,600)
Watson Wine Group Pty Ltd	32,000	30.30%
Leed Capital Pty Ltd	3,400	3.22%
Hesterbrook Pty Ltd Superfund	15,000	14.20%
Alandenn Nominees Pty Ltd *	5,000	4.73%
Coonawarra Vineyard Management Services Pty Ltd	1,900	1.79%
* a company associated with John Whitehead, a director of CPV Wines		
Total	57,300	54.26%

- 6.2 The constitution of CPV Wines does not contain any restriction on transfer of CPV Wines Shares that is relevant in the case of a full takeover bid for CPV Wines Shares.
- 6.3 CPV Wines only has one class of securities, being the CPV Wines Shares (all ordinary shares). The total number of CPV Wines Shares on issue is 105,600.

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- 6.4 As at the date of lodgement of the bidder's statement with ASIC, the Bidder does not hold a relevant interest in any CPV Wines Shares and the Bidder has no voting power in CPV Wines.
- 6.5 The Bidder or an associate has not provided, or agreed to provide, consideration for a CPV Wines Share under a purchase or agreement during the 4 months before the date of lodgement of this bidder's statement with ASIC.
- 6.6 The Bidder or an associate has not during the 4 months before the date of lodgement of this bidder's statement with ASIC, given, offered to give or agreed to give, a benefit to another person where such benefit was likely to induce the other person, or an associate, to:
- 6.6.1 accept an offer under this bid; or
 - 6.6.2 dispose of CPV Wines Shares;
- and the benefit is not offered to all holders of CPV Wines Shares.
- 6.7 Mr Rex Leigh Watson is a director of CPV Wines. He is also a director of Coonawarra Vineyard Management Services Pty Ltd ("**CVMS**"), Watson Wine Group Pty Ltd ("**WWG**") and Leed Capital Pty Ltd ("**Leed**"). CVMS is 100% owned by WWG which in turn is 100% owned by Jeanette Lee Watson (as trustee for the Watson Children's Trust). Leed is also 100% owned by Jeanette Lee Watson (as trustee for the Watson Children's Trust). Mr Watson is an income beneficiary of the Watson Children's Trust.

PART 4 - INFORMATION IN RELATION TO THE CASH CONSIDERATION

7. BID FUNDING

7.1 Maximum Cash Consideration

As at the date of this bidder's statement there are 105,600 CPV Wines shares on issue. The maximum amount of cash consideration which will be payable by the Bidder under the offers is approximately \$1,900,800.

7.2 Funding Arrangements

The Bidder intends to draw down on its existing multi-option facility ("**Facility**") with Commonwealth Bank of Australia ("**CBA**"). The Bidder has sought approval from CBA, who has now approved an increase in the Bidder's available facility limit for its multi-option facility from \$5,950,000 to \$7,675,000, which is sufficient to pay the maximum consideration that will be payable under the offers and the associated costs of the takeover bid. The Facility terms have been approved by the CBA and accepted by the Bidder. Those terms are set out in a Committed Terms Sheet ("**Terms Sheet**"). The material terms of the Terms Sheet for the purposes of the offers are summarised below. It is intended that formal documentation for the Facility that will incorporate these terms will be executed by the CBA and the Bidder before the offers are despatched to holders.

7.3 Security

The Facility is to be secured by a share and security mortgage over all CPV Wines Shares acquired by the Bidder.

7.4 Repayment

The Bidder must repay all funds advanced under the Facility by the termination date which is 5 years from the execution of the formal Facility Agreement. Early repayment may be required if an event of default under the Facility Agreement occurs and has not (where applicable) been remedied. The multi-option facility is for a two year term annually extendable under annual review in December each year.

7.5 Conditions precedent and limitations on drawdown

The Bidder must satisfy the following conditions precedent before making the first or any subsequent drawing under the Facility:

- 7.5.1 formal documentation in relation to the Facility including the Facility Agreement and associated security documentation in a form satisfactory to CBA having been executed by CBA and the Bidder ("**Facility Documentation**"); and
- 7.5.2 no material adverse change in the business or prospects of the Bidder, as responsible entity for the Trust, occurring prior to the date of drawdown; and
- 7.5.3 other conditions precedent to drawdown which are considered by the Bidder to be customary for facilities and arrangements of this nature, which include:
 - (a) No event of default or potential event of default having occurred or occurring;
 - (b) CBA being satisfied that any duty payable in connection with the entry into the Facility Documentation has been paid;
 - (c) CBA having received all fees and expenses incurred by it in establishing the Facility; and
 - (d) CBA having received all legal opinions requested by it in the form and substance and from lawyers acceptable to CBA.

7.6 Events of Default

The events of default applicable to the Facility are considered by the Bidder to be customary for the facilities and arrangements of this nature and include:

- 7.6.1 failure by the Bidder to pay an amount that is due and payable by it under the Facility;
- 7.6.2 a breach of any representation or warranty made by the Bidder in connection with the Facility;
- 7.6.3 the occurrence of an insolvency event with respect to the Bidder or any of its related bodies corporate; or
- 7.6.4 Failure by the Bidder to comply with any of its obligations under the Facility Documentation.

7.7 General Undertakings

The undertakings by the Bidder under the Facility are considered by the Bidder to be customary for borrowing arrangements of this nature and include undertakings to ensure that no entity within the Bidder Group passes a resolution which:

- 7.7.1 approves the giving of financial assistance within the meaning of section 260A of the Act;
- 7.7.2 approves the reduction of its share capital;
- 7.7.3 limits its ability to make calls on its uncalled share capital; or
- 7.7.4 approves the purchase by the Bidder of shares in itself (other than redeemable preference shares).

7.8 Specific Undertakings

The Bidder must comply with the following specific undertakings in respect of the Facility:

- 7.8.1 the Bidder undertakes not to approve or consent to an increase of banking facilities for CPV Wines with any external financier, including its existing bankers, without the CBA's written consent; and
- 7.8.2 the Bidder undertakes not to provide a guarantee to any external financier, including existing bankers, in support of debt provided to CPV Wines.

7.9 Specific Financial Covenants

Under the Facility, the Bidder must meet the following financial covenants:

- 7.9.1 Interest Cover Ratio (pre-SGARA) (as defined in the Terms Sheet) for each quarter, on a 12 month rolling basis, is to be not less than 1.75 times;
- 7.9.2 The ratio of Net Worth to Total Tangible Assets (as defined in the Terms Sheet) is to be not less than 0.50 times;
- 7.9.3 If at any time the CBA determines that the ratio (expressed as a percentage) between the Facility Amount (as defined in the Terms Sheet) and the value of Security Property (as defined in the Terms Sheet) exceeds 65% (or such other percentage advised by CBA in writing) the Bidder will either:
 - (a) reduce the Facility Amount by an amount sufficient to ensure the aforesaid ratio is equal to or less than 65%; or

- (b) provide additional Security Property, to CBA's satisfaction, of such value to ensure the aforesaid ratio is equal to or less than 65%.

This covenant is subject to annual review and reduction, in good faith, to 60% at the earliest opportunity.

7.10 **Provision of Funds**

The Bidder is unaware of any reason why a condition precedent to drawdown under the Facility could not be satisfied or any other reason why the Facility may not be provided.

On the basis of the arrangements described in this Part 4, the Bidder is of the opinion that it has a reasonable basis for holding the view and it holds the view that it will be able to provide the consideration required to satisfy its obligations under the offers pursuant to this bidder's statement.

PART 5 - ABOUT THE OFFER**8. OFFER**

Subject to the defeating conditions listed in paragraph 12 of Part 7 of this bidder's statement, the Bidder offers to buy the shares of each holder of CPV Wines Shares on the following terms. All CPV Wines Shares acquired by the Bidder pursuant to the takeover bid will ultimately be held by the Custodian of the Trust.

8.1 Date

The date of the offers is 13 July 2007.

8.2 Holders

An offer is to each person (other than the Bidder) who holds CPV Wines Shares as at the date to be set by the Bidder under section 633(2)(b) of the Act and notified to CPV Wines on or before that date.

In addition, any person to whom section 653B(1) of the Act applies may accept the offer, subject to that section.

8.3 Full bid

The offer is to buy all of the shares of all holders of CPV Wines Shares.

8.4 Offer consideration

Subject to the terms of this offer the consideration offered by the Bidder for the acquisition of all CPV Wines Shares is \$18 cash for each CPV Wines Share. All offers are for cash consideration only.

8.5 Offer period

8.5.1 Unless withdrawn, each offer will remain open until the end of the offer period.

8.5.2 The offer period:

- (a) starts on the date the first offer under the bid is made; and
- (b) lasts for 1 month unless:
 - (i) extended automatically under section 624(2) of the Act;
 - (ii) extended by the Bidder under sections 650C and 650D of the Act; or
 - (iii) unaccepted offers are withdrawn by the Bidder under section 652B of the Act.

8.6 Variation of offers

The Bidder may vary the offers after they are sent, subject to section 650A of the Act.

8.7 Withdrawal of offers

The Bidder may withdraw an unaccepted offer, subject to section 652B of the Act.

8.8 **Offers Conditional**

The offers under this bidder's statement are subject to the defeating conditions in paragraph 12 of Part 7 of this bidder's statement.

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PART 6 - ACCEPTANCE**9. ACCEPTANCE**

A holder may accept the offer only for all of its CPV Wines Shares.

9.1 How to accept this offer to buy CPV Wines Shares

The holder must:

- 9.1.1 complete and sign the acceptance form in the back of this bidder's statement in accordance with the instructions on it; and
- 9.1.2 send the acceptance form together with all other documents required by the instructions on it to the address on its reverse side in the addressed envelope provided that, if posted, the envelope in which the documents are sent is post-marked before the end of the offer period or, if otherwise delivered, the documents are received before the end of the offer period.

9.2 The Bidder may treat the receipt by it of the acceptance form as a valid acceptance although it does not receive the other documents required by the instructions on the acceptance form or any of the other requirements for acceptance have not been complied with, but if the Bidder does so, subject to paragraph 13.1, the Bidder will not be obliged to make the consideration available until the Bidder receives all those documents (including any relevant share certificate(s) or acceptable evidence of loss or destruction and an acceptable indemnity instead of those certificates) and all of the requirements for acceptance referred to in paragraph 9.1, and in the acceptance form, have been met.

9.3 If a holder accepts the offer, but does not provide certificates for all of the holder's CPV Wines Shares to the Bidder within 21 days after the end of the offer period, the holder will have represented to the Bidder that the certificates not delivered are lost.

9.4 The Bidder may avoid the takeover contract if the Bidder is not given the necessary transfer documents within 1 month after the end of the offer period.

9.5 Withdrawal of an acceptance

A person who accepts an offer may withdraw their acceptance of the offer as may be permitted by section 650E of the Act.

10. AUTHORITIES TO THE BIDDER

By completing, signing and returning an acceptance form, a holder will thereby authorise the Bidder and its agents to correct any errors in, or omissions from, the acceptance form necessary to:

- 10.1 make it an effective acceptance of the offer in relation to the holder's CPV Wines Shares; and/or
- 10.2 enable the transfer of the holder's CPV Wines Shares to the Custodian;

and, if the acceptance form is signed under power of attorney, the attorney will have declared that the attorney has no notice of revocation of the power and is empowered to delegate powers under the powers of attorney in paragraph 11.4.

PART 7 - TAKEOVER CONTRACT**11. TAKEOVER CONTRACT**

By completing, signing and returning the acceptance form, the holder will:

- 11.1 accept the offer and thereby form a takeover contract;
- 11.2 represent and warrant to the Bidder that all of the holder's CPV Wines Shares will at the time of the acceptance and of transfer to the Custodian, be fully paid up and that the Custodian will acquire good title to and beneficial ownership of the shares free from all mortgages, charges, liens and other encumbrances (legal or equitable) whatsoever and restrictions on transfer of any kind;
- 11.3 have transferred all of the holder's CPV Wines Shares to the Custodian, subject to the conditions of the constitution of CPV Wines on which they were held immediately before acceptance (and the Bidder agrees that the shares will be transferred to the Custodian subject to those conditions);
- 11.4 if and when the takeover contract becomes unconditional, have irrevocably appointed the directors of the Bidder for the time being and each of them as the holder's attorney to:
 - 11.4.1 attend and vote in respect of the CPV Wines Shares of which the holder is the registered holder for the time being at all general meetings of CPV Wines; and
 - 11.4.2 execute all forms, notices, documents (including a document appointing a director of the Bidder as a proxy in respect of any of the CPV Wines Shares and an application to CPV Wines for a replacement for any share certificate that has been lost or destroyed) and resolutions relating to the CPV Wines Shares and generally to exercise all powers and rights which the holder has as the registered holder of the CPV Wines Shares;

and agreed that, in exercising those powers, an attorney may act in the interests of the Bidder as a beneficial owner of the CPV Wines Shares; and
- 11.5 have agreed not to attend or vote in person at any general meeting of CPV Wines or to exercise, or to purport to exercise (in person, by proxy or otherwise) any of the powers conferred on the directors of the Bidder by paragraph 11.4.

12. DEFEATING CONDITIONS

- 12.1 **Scope of the conditions**
 - 12.1.1 The offer is not conditional on the Bidder obtaining a relevant interest in a minimum percentage of CPV Wines Shares, nor a minimum voting power in CPV Wines, during or at the end of the offer period.
 - 12.1.2 An offer and a takeover contract with a holder is conditional on the following, after the date of the bidder's statement:
 - (a) the Bidder obtaining an independent valuation of the CPV Wines Vineyard on or before the close of the relevant offer period, in which the Vineyard is valued at not less than \$4,500,000;
 - (b) no change, event or condition occurring, being announced or becoming known to the Bidder which has had, or is reasonably likely to have, a material adverse effect on CPV Wines;
 - (c) no material acquisitions or disposals of assets by CPV Wines for a consideration exceeding in any one case \$50,000 and in aggregate \$500,000, without the Bidder's consent;

- (d) no orders being made by, or applications to, a public authority which restrain or prohibit, or otherwise materially adversely impact upon, the offers or the completion of any transaction contemplated by the offers;
- (e) no capital expenditure being made or liability being incurred by CPV Wines in excess of \$500,000;
- (f) CPV Wines not being involved in any new material litigation, claims or proceedings;
- (g) CPV Wines not entering into any agreement increasing debt or security for debt;
- (h) none of the following prescribed occurrences occurring:
 - (i) CPV Wines converting all or any of its shares into a larger or smaller number of shares (see section 254H of the Act);
 - (ii) CPV Wines or a subsidiary resolving to reduce its share capital in any way;
 - (iii) CPV Wines or a subsidiary:
 - A. entering into a buy-back agreement; or
 - B. resolving to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Act;
 - (iv) CPV Wines or a subsidiary issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option;
 - (v) CPV Wines or a subsidiary issuing, or agreeing to issue, convertible notes;
 - (vi) CPV Wines or a subsidiary disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) CPV Wines or a subsidiary charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
 - (viii) CPV Wines or a subsidiary resolving to be wound up;
 - (ix) a liquidator or provisional liquidator of CPV Wines or of a subsidiary being appointed;
 - (x) a court making an order for the winding up of CPV Wines or of a subsidiary;
 - (xi) an administrator of CPV Wines, or of a subsidiary, being appointed under section 436A, 436B or 436C of the Act;
 - (xii) CPV Wines or a subsidiary executing a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of CPV Wines or of a subsidiary.

12.2 Nature of the conditions

12.2.1 Each sub-paragraph of paragraph 12.1:

- (a) is a separate condition; and
- (b) subject to section 630 of the Act and paragraph 12.5:
 - (i) does not prevent a holder accepting the offer resulting in a takeover contract for the disposal of its CPV Wines Shares, but entitles the Bidder to rescind that takeover contract by notice to CPV Wines; and
 - (ii) until the end of the offer period, operates only for the benefit of the Bidder.

12.3 Release of the conditions

Subject to the Act, the Bidder may declare the offers and takeover contracts free from all or any of the conditions in paragraph 12.1 by giving notice to CPV Wines in accordance with section 650F of the Act. Such notice may be given in writing to CPV Wines not less than 7 days before the end of the offer period.

12.4 Notice of status of the conditions

The date for the Bidder giving a notice to CPV Wines and to ASX under section 630(1) of the Act on the status of these conditions is 6 August 2007 (being a date not more than 14 days and not less than 7 days before the end of the offer period), unless the date for giving the notice is postponed under section 630(2) of the Act by the offer period being extended.

12.5 Failure of the conditions

12.5.1 If at the end of the offer period:

- (a) any of the conditions in paragraph 12.1 are not fulfilled; and
- (b) the Bidder has not declared the offers and the takeover contracts free from that condition,

a takeover contract is automatically void.

12.5.2 If the offers do not become unconditional or any takeover contract is rescinded by the Bidder on the grounds of a breach of a condition of that takeover contract, or the Bidder avoids the takeover contract under paragraph 9.4, the Bidder will return by post to the holder at the address shown on the acceptance form, any share certificates sent to the Bidder by the holder.

PART 8 - PAYMENT**13. PAYMENT**

- 13.1 The Bidder is to pay the consideration for the offer:
- 13.1.1 if the Bidder is given the necessary transfer documents with the acceptance – by the end of whichever of the following periods ends earlier:
 - (a) 1 month after the offer is accepted or, if the offer is subject to a defeating condition, within 1 month after the takeover contract becomes unconditional;
 - (b) 21 days after the end of the offer period; or
 - 13.1.2 if the Bidder is given the necessary transfer documents after the acceptance and before the end of the offer period – within 1 month after the Bidder is given the necessary transfer documents; or
 - 13.1.3 if the Bidder is given the necessary transfer documents after the acceptance and after the end of the offer period – within 21 days after the Bidder is given the necessary transfer documents.
- 13.2 If the Bidder becomes entitled to any collateral rights attaching to issued CPV Wines Shares as a result of an acceptance of an offer, the Bidder may require the holder to give to the Bidder all documents necessary to vest title in those collateral rights in the Custodian. If the holder does not give those documents to the Bidder, or if the holder has received the benefit of those collateral rights, the Bidder may deduct from any cash consideration otherwise payable to the holder the amount (or value as reasonably assessed by the Bidder) of those collateral rights. If the Bidder does not or cannot make such a deduction, the holder must pay that amount to the Bidder.
- 13.3 If a holder is not a resident of Australia, the holder is not entitled to receive the consideration until the holder has satisfied the Bidder that it has obtained all necessary authorities or clearances of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations or otherwise) or of the Australian Taxation Office and that the holder has complied with all other statutory requirements in Australia or elsewhere that are applicable to the sale of the holder's CPV Wines Shares, their transfer to the Custodian and the receipt by the holder of the consideration for them.
- 13.4 Subject to the Act, the Bidder will send cheques for the cash payment due to holders by pre-paid ordinary mail or, in the case of an address outside Australia, by airmail, to the address shown in the acceptance form.

PART 9 - OTHER INFORMATION**14. ADDITIONAL DISCLOSURES**

Except as set out in this bidder's statement, there is no information material to the making of a decision by a holder whether or not to accept an offer, being information that is known to the Bidder and has not previously been disclosed to the holders of CPV Wines Shares.

15. REGULATORY APPROVALS

To the knowledge of the Bidder, the making and the completion of the takeover bid for CPV Wines does not require the approval of the Australian Competition and Consumer Commission, ASIC, ASX or any other regulatory body in Australia. Nor is the Bidder aware of any obligation to have the bid or a change in control of CPV Wines approved outside Australia, such as in those foreign jurisdictions where CPV Wines or its controlled entities carry on business.

16. TAXATION IMPLICATIONS

The potential tax effects relating to the offers on a holder of CPV Wines Shares will vary between holders. Holders should satisfy themselves of possible tax consequences by consulting their own professional tax advisers.

17. OTHER MATTERS

17.1 The Bidder will pay all costs and expenses (including any applicable stamp duty) of the preparation and circulation of this document and the transfer of any CPV Wines Shares to the Bidder.

17.2 If you have any questions, please contact the Bidder as follows:

Telephone: 08 8433 0511

Fax: 08 8338 3244

email: bidder@coonawarravineyard.com.au

post: Coonawarra Premium Vineyards Limited, PO Box 6243, Halifax Street, Adelaide SA 5000

All calls will be recorded in accordance with the requirements under the Act.

17.3 The offer and any takeover contract are governed by the Act.

18. **INTERPRETATION**

In this document:

"acceptance form" means the form with that title that accompanies this document.

"Act" means the Corporations Act 2001 as modified or varied from time to time in relation to the takeover bid constituted by the offers.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means Australian Stock Exchange Limited.

"Bidder" means CPVL as trustee for the Trust.

"CPVL" means Coonawarra Premium Vineyards Limited (ACN 086 944 265).

"CPV Wines" means CPV Wines Limited (ACN 094 489 639).

"CPV Wines Shares" means:

- (a) fully paid ordinary shares in CPV Wines on issue as at the date of the offers; and
- (b) any fully paid ordinary shares in CPV Wines issued during the offer period due to a conversion of or exercise of rights attached to other securities; and
- (c) any dividend or other distribution declared or paid after the date of this document in relation to any of the above shares; and
- (d) any right (including a right to receive or acquire securities) attaching after the date of this document in relation to any of the above shares.

"Custodian" means the nominated custodian of the Trust being Australian Executor Trustees (SA) Limited (ABN 23 007 870 644).

"offers" means offers by the Bidder to holders to buy CPV Wines Shares as referred to in this document.

"offer period" means the offer period for the offers referred to in paragraph 8.5.2.

"takeover contract" means a contract that results from the acceptance of an offer made under the takeover bid to which this document relates.

"Trust" means Coonawarra Australia Property Trust (ARSN 104 335 159).

"Vineyard" means the CPV Wines vineyard located at Coonawarra, South Australia being the whole of the land comprised in Certificate of Title Volume 5769 Folio 337.

Subject to the above, words defined in section 9 of the Act and used in this document have the same meanings in this document; reference to a section is to a section in the Act; headings do not affect the interpretation of this document.

ACCEPTANCE FORM

Takeover Bid by **Coonawarra Premium Vineyards Limited** (ACN 086 944 265) as responsible entity for
Coonawarra Australia Property Trust (ARSN 104 335 159) ("**Bidder**")
for all ordinary shares in CPV Wines Limited (ACN 094 489 639) ("**CPV Wines**")

NAME OF REGISTERED SHAREHOLDER(S):

ADDRESS OF REGISTERED SHAREHOLDER(S):

.....

Your holding of shares (number)	
Cash consideration payable to you at \$18.00 per share	
Shareholder Reference No	
Securities Subregister	

If any of the above details are incorrect, please amend and initial the alteration.

1. Acceptance and Transfer

I/We accept the offer by the Bidder in respect of ALL of my/our shares and transfer them to the Custodian and I/we agree to be bound by the terms of the offer (including the instructions as to acceptance of the offer).

2. Signature

(This section must be signed before the Bidder can process this form)

Individual/Joint

Corporations

Signed

.....

Director

Signed

.....

Director/Secretary

Signed

.....

Sole Director and Sole Secretary

Date

Please provide your contact telephone number in case we need to speak to you about this form:
().....

Words used in this form have the same meaning as in the bidder's statement.

3. Additional requirements

- (a) You need to follow points 1-4 on the reverse side.
- (b) Please enclose the share certificates for your shares upon returning the signed acceptance form to the Bidder. If you cannot enclose your share certificates upon returning the signed form, you must provide your share certificates to the Bidder within 21 days of returning this form to the Bidder.

For personal use only

**IF YOU HAVE ANY QUERIES REGARDING ACCEPTANCE OF THE OFFER, PLEASE
CONTACT THE BIDDER BY TELEPHONE ON 08 8433 0511 OR E-MAIL AT
bidder@coonawarravineyard.com.au**

1. Signing

Sign on reverse side.

Special requirements:

- Joint holders: All must sign.
- Corporations: This form must be signed by appropriate officers of the corporation or sealed in accordance with applicable law, or signed by an attorney duly authorised in writing.
- Power of attorney and deceased estates: If signed under power of attorney or by executors or administrators on behalf of a deceased shareholder, the relevant power of attorney or probate or letters of administration, together with any other documents required by law, must be attached.

2. Return

Send the signed form in the enclosed reply paid envelope to Coonawarra Premium Vineyards Limited, PO Box 6243, Halifax Street, Adelaide SA 5000.

Overseas shareholders are urged to forward this form by airmail.

3. If you recently bought or sold CPV Wines Shares

- (a) If you have sold all of your CPV Wines Shares, please send this form to the transferee or the broker who acted for you on the sale.
- (b) If you have sold some of your CPV Wines Shares, or you have purchased CPV Wines Shares, please alter the number of CPV Wines Shares shown on this form to the number now held by you and write in the space below the name and address of the transferee of the CPV Wines Shares purchased from you, or the name and address of the broker who acted for you on that sale or purchase.

Name of transferee/broker:

Address:

4. Registration Details

The CPV Wines Shares are currently registered in the name(s) printed on the form. Your consideration will be issued in the names as it appears on the CPV Wines register.

Privacy Statement

Personal information is collected on this form by the Bidder for the purposes of facilitating cash consideration payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or otherwise as permitted by law. If you would like details of your personal information held by CPV Wines or the Bidder, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CPV Wines or the Bidder.