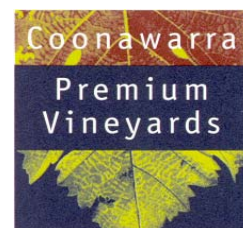


**COONAWARRA PREMIUM VINEYARDS PROJECT
ANNUAL TAXATION DEDUCTION SUMMARY
FINANCIAL YEAR ENDED 30 JUNE 2006**



**A.R.S.N. 087 876 186
AFS Licence No: 226243**

Total Investment (Per Managed Unit)	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006	Tax Deduction 2005/2006
	\$	\$	\$	\$	\$	\$	\$	
Unit in the Unit Trust	654							-
Landcare Operations	645							-
Trellising	1,005							(a)
Construction of Buildings	25							-
Irrigation	1,553							-
Power	82							\$8 (b)
Grapevines & Planting	484							\$63 (c)
Management Fees 1999/2000	1,670							-
Management Fees 2000/2001	646							-
Management Fees 2001/2002		662						-
Management Fees 2002/2003			681					-
Management Fees 2003/2004 + CPI				691				
Management Fees 2004/2005 + CPI					692			
Management Fees 2005/2006 + CPI						711		(d)
Management Fees 2006/2007 + CPI							736	\$736 (e)
Grant of Use (Licence) for 3 years	393							
Grant of Use (Licence) 1 July 2002 to 8 May 2003 (A)				111				
Grant of Use (Licence) 9 May 2003 to 30 June 2003 (B)				92				
Grant of Use (Licence) 1 July 2003 to 30 June 2004					634			
Grant of Use (Licence) 1 July 2004 to 30 June 2005						653		
Grant of Use (Licence) 1 July 2005 to 30 June 2006							673	\$673 (f)
Interim Grape Processing Fee 2004					100			
Recoverable Harvest Costs					108			
Recoverable Harvest Costs						100		
Interim Grape Processing Fees						30		
Legal costs re Nugan dispute						38		
Recoverable Harvest, Processing and Other Costs						211		
Legal fees re Nugan dispute							28	\$28(g)
Recoverable Harvest, Processing and Other Costs							209	(h)
	7,157	662	681	894	1,534	1,743	1,646	

Please refer to accompanying schedule for explanations of the deductions

INVOICES RAISED 1 JULY 2005 to 30 JUNE 2006 (Per Unit):

Date	Detail	Fees	GST	Total Invoiced	Ref.
		\$	\$	\$	
1/09/2005	Grant of Use (1/07/05-30/09/05)	168.15	16.82	184.97	(f)
30/11/2005	Legal fees re Nugan dispute	21.11	2.11	23.22	(g)
30/11/2005	2005 Harvest costs	(2.46)	(0.25)	(2.71)	(h)
30/11/2005	Insurance / Legal / Tax advice	15.56	1.56	17.12	(h)
30/11/2005	Processing costs for 2004 bulk wine	4.77	0.29	5.06	(h)
30/11/2005	Processing costs for 2005 bulk wine	1.43	0.14	1.57	(h)
30/11/2005	Viticultural consultants	5.00	0.50	5.50	(h)
30/11/2005	Storage / Transport of bulk wine	1.88	0.19	2.07	(h)
1/12/2005	Grant of Use (1/10/05-31/12/05)	168.15	16.82	184.97	(f)
1/03/2006	Grant of Use (1/01/06-31/03/06)	168.15	16.82	184.97	(f)
1/06/2006	Grant of Use (1/04/06-30/06/06)	168.15	16.82	184.97	(f)
1/06/2006	Annual Management Fees (2006/2007)	736.24	73.62	809.86	(e)
29/06/2006	2006 Harvest costs	69.06	6.91	75.97	(h)
29/06/2006	2006 Processing costs	97.55	9.76	107.31	(h)
29/06/2006	Legal costs re Nugan dispute	6.83	0.68	7.51	(g)
29/06/2006	Storage / Transport of 2004 bulk wine	9.77	0.98	10.75	(h)
29/06/2006	CPV 1 proposed restructure expenditure	4.26	0.43	4.69	(h)
29/06/2006	Viticultural, Valuation and Tax advice	2.18	0.22	2.40	(h)
		1,645.78	164.41	1,810.19	

Notes:

A - Per Prospectus (page 116) at \$131 per annum pro rated for the period 1 July 2002 - 8 May 2003.

B - In accordance with the revised Constitution, adopted by the meeting of Growers on 12 December 2002, annual rent of \$634 per Vineyard Lot pro rated for the period from 9 May 2003 to 30 June 2003.

Each Investor should seek their own individual advice as this is only a summary and should not be construed as tax advice.

**COONAWARRA PREMIUM VINEYARDS PROJECT
FINANCIAL YEAR ENDED 30 JUNE 2006**

***Taxation Deductions are in accordance with Australian Taxation Office Product
Ruling PR 1999/61.***

* Deductions on this summary should be multiplied by the number of units held by each investor *

Explanations of Available Taxation Deductions:

Note: The tax deductions referred to below do not include GST and assume that each Grower is registered for GST. In this situation GST can be claimed back from the Australian Taxation Office and is not deductible for Income Tax Purposes. If you are not registered for GST then the amount of GST paid by you in relation to each of the items of expenditure will form part of the cost of that item and will form part of your deduction.

(a) Division 40 of the Income Tax Assessment Act 1997 ("the 1997 Act") allows a deduction for depreciation on plant and equipment (which includes trellising). Trellising in the Project was installed progressively over the 1999/2000 year in line with the Project subscriptions. The deduction available under Division 40 of the 1997 Act can be calculated using the appropriate depreciation rate (either 'prime-cost' or 'diminishing balance'). The depreciation rate and method used for the 30 June 2006 year should be consistent with the depreciation method and rate used in prior years.

(b) Section 40-645 (formerly section 287-355) of the 1997 Act permits a deduction for expenditure in connecting power to land. This deduction is spread equally over 10 years, allowing a 10% deduction each year. A deduction of \$8 will be available in the year ending 30 June 2006.

(c) In accordance with section 40-515 (formerly section 387-165) of the 1997 Act a deduction is allowed for expenditure on establishing horticultural plants from the time they enter their year of first production. The manager considers that the vines have an effective life for the purposes of section 40-545 of less than 30 years, and therefore a write-off rate of 13% of the original establishment costs can be used. A deduction can be claimed of $\$484 \times 13\% = \63 write-off for the year ending 30 June 2006.

(d) Management Fees charged in 2004/2005 of \$711 relate to services to be provided by the Manager during the year ended 30 June 2006. If a Grower held only 1 unit then this amount was fully deductible in the year ending 30 June 2005 as it is less than \$1,000 (section 82KZM of the Income Tax Assessment Act 1936). If a Grower holds more than one unit, and has elected to be a "Simplified Tax System" taxpayer from 1 July 2001 (ie, annual turnover less than \$1 million) the \$711 was fully deductible in the 2005 year as it is in relation to expenditure on services to be provided within 12 months. *For either of these scenarios, there will be no deductions available for the year ending 30 June 2006*. If a Grower was not a "Simplified Tax System" taxpayer then this amount will be deductible in the year ending 30 June 2006.

(e) Management Fees charged in 2005/2006 of \$736 relate to services to be provided by the Manager during the year ending 30 June 2007. If a Grower holds only 1 unit then this amount is fully deductible in the year ending 30 June 2006 as it is less than \$1,000 (section 82KZM of the Income Tax Assessment Act 1936). If a Grower holds more than one unit, and has elected to be a "Simplified Tax System" taxpayer from 1 July 2001 (ie, annual turnover less than \$1 million) the \$736 is fully deductible in the 2006 year as it is in relation to expenditure on services to be provided within 12 months. If a Grower is not a "Simplified Tax System" taxpayer and holds more than one unit then the deduction will be available the following year.

(f) The quarterly Grant of Use (Licence) amounts of \$168.15, totaling \$673, are deductible in the year ended 30 June 2006.

(g) Legal costs incurred in relation to the dispute with Nugan of \$28 are deductible expenses for tax purposes.

(h) Recoverable Harvest and Other Recoverable Costs of \$209 are allowable as a deduction in the year ending 30 June 2006.

Non-Commercial Loss Provisions

Product Ruling (addendum) PR1999/61A which confirmed that the Commissioner had exercised his discretion and the non-commercial loss provisions do not apply to investors in this Project has now expired. The Australian Tax Office declined to provide a product ruling for the Project regarding the application of the non commercial loss provisions. The ATO will only consider private ruling applications from individual taxpayers. To assist investors a copy of the appropriate application form, with generic information completed where possible, is available upon request: please contact Tracey Hansell on (08) 8338 3400 or email to tracey@coonawarravineyard.com.au

COONAWARRA PREMIUM VINEYARDS PROJECT

A.R.S.N. 087 876 186

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INFORMATION ON COMPLETING YOUR TAX RETURN FINANCIAL YEAR ENDED 30 JUNE 2006

Completing your income tax return may be complicated for many investors, especially as your investment in the Coonawarra Premium Vineyards Project means that you are operating a business and you must complete the appropriate business schedules in the tax return.

If you require assistance in completing your tax return, please contact your registered tax agent or alternatively contact the Australian Taxation Office. The ATO website www.ato.gov.au provides guidance and information that may assist you.

The Project returned income to all investors this year, and this must be included as assessable income in your income tax return. You will also need to include trust distributions from the Coonawarra Australia Property Trust as assessable income in the Trust Unit Holder's tax return. This information will be sent to Unit Holders by Computershare Investor Services Pty Limited. Investors will also be able to claim deductions as detailed in Product Ruling 1999/61 but the Product Ruling addendum - Product Ruling 1999/61A, which confirmed that the Commissioner had exercised his discretion that the non commercial loss provisions do not apply to this Project, has now expired. Coonawarra Premium Vineyards Limited's application for the Commissioner of Taxation to exercise his discretion for the 2004 year was declined. The ATO will only consider private ruling applications from individual taxpayers. To assist investors a copy of the appropriate application form, with generic information completed where possible, is available upon request: please contact Tracey Hansell on (08) 8338 3400 or email to tracey@coonawarravineyard.com.au

For individual investors, Income and Deductions should be included on the Supplementary Section to your Income Tax Return, and specifically in the Business and Professional Items section of the Return.

INCOME

Cash taxpayers (including Simplified Tax System taxpayers) and Non-Cash/Accrual taxpayers should include as income for the year ending 30 June 2006 the amounts set out in the table below.

	<u>Accruals taxpayers</u>	<u>Cash taxpayers</u>		<u>All taxpayers</u>
<u>Assessable Income</u>	<u>\$ per unit</u>	<u>\$ per unit</u>	<u>Trading Stock</u>	<u>\$ per unit</u>
Sales 2006 grapes	399.88	178.25	Opening stock as advised to investors	319.36
Sales 2005 grapes adjustment (note 1)	28.15	-	Decrease in trading stock in year	(63.02)
Grape sales 2005 receipts	-	323.98	Closing trading stock	256.34
Bulk wine sales (net of GST)	207.72	208.23		
Total assessable income	635.75	710.47		
Closing debtors (note 2)		401.89		

Note 1: This adjustment is the difference between the 2005 sales calculated at 2004 District Weighted Average Prices (DWAP) per the original estimate, and the 2005 sales at actual 2005 DWAP after allowing for bonuses and penalties.

Note 2: For taxpayers on a cash basis, grape proceeds not collected from wineries prior to 30 June 2006 will need to be included as assessable income in the year of collection (which will be advised in future notices). Sale Proceeds not collected as at 30 June 2006 include \$142.83 (Nugan) for the year ended 30 June 2003, \$6.11 (Burge) for year ended 30 June 2005 and for year ended 30 June 2006, \$221.63 for grape sales and \$31.32 (net of GST) for bulk wine sales.

EXPENSES

Deductions for expenditure incurred in respect of the Project are outlined on the attached notes.

Further deductions may be available for interest on any loans that you have taken out to finance your investment.

BUSINESS ACTIVITY STATEMENT

Investors who have registered for GST will need to include the expenses of the Project on their Business Activity Statement in the relevant quarter that it relates. The amount to include will depend on whether you are on a cash or non-cash basis. If you are registered on a cash basis then you need to include expenses actually paid in the relevant quarter. Investors will need to keep their own records of payments made, as a fee may be charged to provide this information again.

If you are registered on a non-cash/accruals basis then you need to include expenses in the quarter the invoice is dated as.

Note that there is no GST on grape income but there may be GST on bulk wine sales income if you are registered for GST.

TRADING STOCK

Growers should also include the value of bulk wine on hand as an amount for trading stock. Each Grower Unit is entitled to 131.53 litres of wine from the 2004 vintage, 9.19 litres of bulk wine from the 2005 vintage and 182.26 litres of bulk wine from the 2006 vintage. The closing market value of the stock is considered to be \$256.34 per Grower Unit.

Each investor should seek their own independent advice as this is only a summary and should not be construed as tax advice.