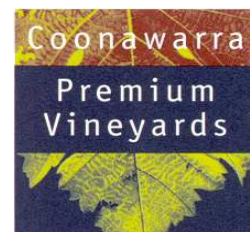


COONAWARRA PREMIUM VINEYARDS PROJECT

A.R.S.N. 087 876 186

AFS Licence No: 226243



INFORMATION ON COMPLETING YOUR TAX RETURN FINANCIAL YEAR ENDED 30 JUNE 2008

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 on the confidential investor section of the website at www.coonawarravineyard.com.au. Please contact Skye on (08) 8338 3400 or email skye@coonawarravineyard.com.au if you need a reminder of your password.

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 Small Business Entity taxpayers) and Non-Cash/Accrual taxpayers should include as income for the year ending 30 June 2008

	<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 2008 grapes	686.12	438.47	Opening stock as advised to investors	171.28
Prior years grapes adjustment (note 1)	23.19	-	Decrease in trading stock in year	(12.61)
Grape sales 2006 receipts	-	429.56	Closing trading stock	158.67
Grape sales 2005 receipts		5.61		
Nugan Receipts (note 3)	102.62	210.65		
Bulk wine sales (net of GST)	123.21	3.99		
Total assessable income	935.14	1,088.28		
Closing debtors (note 2)		681.96		

Note 1: This adjustment includes \$22.96 relating to the Baume Bonus calculation on the 2007 grape harvest on the 2007 District Weighted Average Prices, and \$0.23 of interest charges on outstanding grape payments for 2006 grape harvest (Burge).

Note 2: For taxpayers on a cash basis, grape proceeds not collected from wineries prior to 30 June 2008 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 2008 include \$196.73 for grape sales for the year ended 30 June 2007 (Watson & Prince Hill), \$247.65 for grape sales for the year ended 30 June 2008 and \$134.96 (net of GST) for bulk wine sales. Closing debtors also includes \$102.62 for Nugan settlements for the 2008 vintage.

Note 3: Nugan receipts for accrual tax payers are proceeds from the settlement awarded in the Nugan claim for the 2008 harvest. Nugan receipts for cash taxpayers are the proceeds from the settlement received during the year, \$108.03 final instalment for the settlement awarded in the Nugan claim for years 2003 to 2006, and \$102.62 for the 2007 harvest. All settlements due in the year ending 30 June 2008 have been received.

EXPENSES

Deductions for expenditure incurred in respect of the Project are outlined in 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 0.36 litres of wine from the 2005 vintage, 120.21 litres of bulk wine from the 2006 vintage and 23.24 litres from the 2008 vintage. The closing market value of the stock is considered to be \$158.67 per Grower Unit. All grapes were sold in 2007.

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

**COONAWARRA PREMIUM VINEYARDS PROJECT
ANNUAL TAXATION DEDUCTION SUMMARY
FINANCIAL YEAR ENDED 30 JUNE 2008**



**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	2006/ 2007	2007/ 2008	Tax Deduction 2007/2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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				-
Management Fees 2006/2007 + CPI							736			-
Management Fees 2007/2008 + CPI								745		(d)
Management Fees 2008/2009 + CPI									785	\$785 (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			-
Grant of Use (Licence) 1 July 2006 to 30 June 2007								694		-
Grant of Use (Licence) 1 July 2007 to 30 June 2008									714	\$714 (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	4	-	-
Recoverable Harvest, Processing and Other Costs							209	118	143	\$143 (g)
	7,157	662	681	894	1,534	1,743	1,646	1,561	1,642	

Please refer to accompanying schedule for explanations of the deductions

INVOICES RAISED 1 JULY 2007 to 30 JUNE 2008 (Per Unit):

Date	Detail	Fees	GST	Total Invoiced	Ref.
		\$	\$	\$	
1/09/2007	Grant of Use (1/07/07-30/09/07)	178.59	17.86	196.45	(f)
30/11/2007	Frost System upgrade cost 2007	11.81	1.18	12.99	(g)
30/11/2007	Storage Transport costs bulk wine	8.06	0.81	8.87	(g)
30/11/2007	Bulk wine storage, transport & insurance	0.21	0.02	0.23	(g)
30/11/2007	Recoverable legal costs	2.47	0.25	2.72	(g)
1/12/2007	Grant of Use (1/10/07-31/12/07)	178.59	17.86	196.45	(g)
1/03/2008	Grant of Use (1/01/08-31/03/08)	178.59	17.86	196.45	(f)
1/06/2008	Grant of Use (1/04/08-30/06/08)	178.59	17.86	196.45	(f)
1/06/2008	Annual Management Fees (2008/2009)	784.66	78.47	863.13	(e)
30/06/2008	2008 Harvest costs	66.41	6.64	73.05	(g)
30/06/2008	Processing costs 2008	14.87	1.49	16.36	(g)
30/06/2008	Bulk wine storage, transport & insurance	10.75	1.08	11.83	(g)
30/06/2008	Frost system improvements	27.97	2.80	30.77	(g)
30/06/2008	Viticulture, Valuation, Tax Advice & brokerage	0.12	0.01	0.13	(g)
		1,641.69	164.17	1,805.86	

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.

**COONAWARRA PREMIUM VINEYARDS PROJECT
FINANCIAL YEAR ENDED 30 JUNE 2008**

***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 2008 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 2008.

(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 2008.

(d) Management Fees charged in 2006/2007 of \$745 relate to services provided by the Manager during the year ended 30 June 2008. If a Grower held only 1 unit then this amount was fully deductible in the year ending 30 June 2007 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 had elected to be a "Simplified Tax System" taxpayer the \$745 was fully deductible in the 2007 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 2008.* If a Grower was not a "Simplified Tax System" taxpayer then this amount will be deductible in the year ending 30 June 2008.

(e) Management Fees charged in 2007/2008 of \$785 relate to services provided by the Manager during the year ending 30 June 2009. If a Grower holds only 1 unit then this amount is fully deductible in the year ending 30 June 2008 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 is a "Small Business Entity" taxpayer the \$785 can be fully deductible in the 2008 year as it is in relation to expenditure on services to be provided within 12 months. If a Grower is not a "Small Business Entity" taxpayer, then the deduction may be available in the following year.

(f) The quarterly Grant of Use (Licence) amounts of \$178.59, totalling \$714, are deductible in the year ended 30 June 2008.

(g) Recoverable Harvest and Other Recoverable Costs of \$143 are allowable as a deduction in the year ending 30 June 2008.

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 ATO acknowledges that Growers are entitled to request private rulings in relation to the exercise of the Non Commercial Loss provision discretion, however the ATO have stated it is unlikely that a positive ruling will be forthcoming. CPVL is continually working with the ATO on this matter. To assist investors a copy of the appropriate application form, with generic information completed where possible, is available on the confidential investor section of the website at www.coonawarravineyard.com.au. Please contact Skye on (08) 8338 3400 or email skye@coonawarravineyard.com.au if you need a reminder of your password.