



Coonawarra Premium Vineyards Limited

A.C.N. 086 944 265 / A.B.N. 58 086 944 265

AFS Licence No: 226243

9 March 2010

Company Announcements Platform
Australian Stock Exchange
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Dear Sir

**COONAWARRA AUSTRALIA PROPERTY TRUST (“CNR”)
PRINCE HILL WINES (“PHW”) WINERY SALE UPDATE**

Coonawarra Australia Property Trust advises that its subsidiary Prince Hill Wines Limited has advised further to various announcements regarding the sale of the vineyard, winery, function centre and cellar door located at 1220 Castlereagh Highway, Apple Tree Flat, Mudgee New South Wales (“**Mudgee Winery**”) by its wholly owned subsidiary, Prince Hill Wine Services Pty Ltd (ABN 40 062 979 588) (“**PHW Services**”), that the purchaser (Great Southern Beverage Company Pty Ltd (ACN 132 761 392) failed to complete by 8 March 2010.

Under the original sale agreement exchanged on 30 September 2008 the deposit was intended to be paid in installments with the final settlement sum of \$4,950,000 being originally due on the completion date of 31 May 2009. The parties extended the completion date to 18 February 2010 under a revised sale agreement dated 29 September 2009. When the purchaser did not complete on 18 February 2010 PHW Services issued to the purchaser a Notice to Complete requiring the purchaser to complete by 8 March 2010.

In light of the purchaser’s failure to complete, PHW Services has now issued a Notice of Termination of Contract to the purchaser advising that the deposit has been forfeited and that the agreement for sale is terminated. PHW Services will take all further steps available to it to enforce its legal rights under the sale agreement.

The Board is now finalizing the appointment of a leading national industry broker and advisor, to prepare an Information Memorandum on the Mudgee winery and vineyard which will be used to seek expressions of interest in purchasing the winery from interested parties. Shareholders will be advised of the outcome of the sale program.

The directors have reviewed the carrying values of the assets and the impact to the Interim Financial Statements for the Half Year Ended 31 December 2009 due to the failed sale and based on reasonable estimates a write down on carrying values of \$2,739,904 may be required. This estimate does not take



into account the possible recovery from the purchaser of losses suffered by PHW Services as a result of the purchaser's failure to complete the purchase.

Andrew Parkinson
Director
Company Secretary

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