

CROUCH INSOLVENCY

CHARTERED ACCOUNTANTS

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13 May 2005

TO INVESTORS

Dear Sir/Madam,

HERITAGE FINE WINES PTY LTD (IN LIQUIDATION) ACN 093 310 7157

I was appointed liquidator of the above company pursuant to an order of the Supreme Court of NSW on 4 May 2005. The Court ordered that the resignation of Mr Peter Ngan as liquidator be accepted. It follows that Mr Ngan has no further authority to deal with the company or its stock.

Mr Ngan was appointed Administrator of the company on 2 March 2005. The company was placed into liquidation on 5 April 2005.

The company's accounts do not enable me to accurately reconcile investors to the 1.2-1.5 million bottles of wine stock held in 5 primary and 50 secondary locations.

I have engaged appropriate industry experts to assist me with my fresh attempt to prepare a stock and investor reconciliation. I am hopeful that up to 80% of the wine is capable of being reconciled to investors. This process will take 2- 3 months and cost around \$1 - \$2 per bottle.

I have consented to an interim order of the Supreme Court of NSW in proceedings 20056 of 2005 that I not sell, dispose of or part with possession of the wine. Accordingly no stock will be released to any investor under any circumstances.

I am without any funding as the previous liquidator retains all company cash and a lien over its assets. The costs of the reconciliation must be satisfied by investors and I am currently seeking court orders in relation to this issue.

I would appreciate if investors could refrain from calling my office directly with general wine stock enquires until I have the results of my stock reconciliation. I will report to investors within 60 days. As there are around 3,600 investors please ensure all enquiries to my office are in writing or via the following means:

BY EMAIL: heritage@crouch.net.au

VIA HERITAGE ENQUIRY LINE: TELEPHONE NUMBER (02) 9949 0748.

All material developments will also be disclosed at our web page:
www.bankruptcy.net.au/heritage.htm

Yours faithfully

HERITAGE FINE WINES PTY LTD

**NICHOLAS CROUCH
LIQUIDATOR**