

# CROUCH INSOLVENCY

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6 April 2006

To Investors

Dear Sir/Madam,

**HERITAGE FINE WINES PTY LTD  
(IN LIQUIDATION) (RECEIVER & MANAGER APPOINTED)  
ACN 093 310 715**

## **INVESTOR UPDATE - WINE DISTRIBUTION AND STORAGE**

I refer to my circular to investors dated 3 March 2006.

Currently the only issue precluding delivery of wine to investors is the finalisation of the internet distribution and storage interface. This process has proven to be much more difficult than anticipated.

Today we have processed our first 15 orders as part of our pilot program of 50 investors who will test the new system.

Within 2 weeks I expect another 200 investors will be invited to make an election for distribution or storage of their wine. I am hopeful, but cannot guarantee that the system will be fully operational within 3 or 4 weeks.

### **Storage**

I recommend that all investors continue to store their wine in the existing temperature and humidity controlled premises under my control, pending the decision to sell or consume their wine. I am aware that a number of storage companies have made unsolicited offers to the majority of investors. I encourage all investors to undertake their own due diligence regarding the solvency and performance ability of prospective storage companies before accepting any storage offers.

### **Sale of Wine**

When the internet system is fully operational I will invite each investor to nominate what quantity of wine they wish to sell. My office will utilise the services of the Sales Advisory Committee and source domestic and international offers for the collective quantities of wine available for sale. I expect that over a period of some 3 or 4 months I will report to investors on a label by label basis the following:

- A) Auction value;
- B) Wholesale value;
- C) Retail value;
- D) International options for sale.

The prospective costs of each of the offers will be disclosed in full. I expect the best results will represent a realisation over a period of 1 or 2 years.

Investors may at their discretion, accept offers sourced via this office. My office will not provide sales advice.

I now invite all investors to nominate potential purchasers, both domestically and internationally, that may have an interest in purchasing some or all of the wine that will become available for sale.

**Levies**

When the internet distribution and storage interface is proven to be fully operational, I will advise the investors of the revised dates for payment of the final levy. No payments for the final levy are required at this time.

Thank you for your patience to date. I am very anxious to open the doors and wish you well with the continued storage, sale or consumption of your wine.

Should you require any further information please contact Tarnya Tkachenko of my office.

**Yours faithfully**

**HERITAGE FINE WINES PTY LIMITED**

**NICHOLAS CROUCH  
RECEIVER AND MANAGER  
LIQUIDATOR**