

CROUCH INSOLVENCY

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22 December 2005

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

Sales Advisory Committee

I am delighted to announce that several industry leaders have volunteered to assist investors by offering their expertise to the sales advisory committee on a pro bono basis. The sales advisory committee will have the benefit of contributions from the following individuals.

1. Brian McGuigan AM: Wine industry doyen with 45 years experience. Founder of Wyndham Estate and widely recognised as an industry leader in domestic and international wine trading;
2. Nick Greiner AC: Former Premier of NSW;
3. Theo Karedis: Founder of Theo's Liquor retail chain;
4. Steve Laws: Grays Auctioneers;
5. Christopher Burr: Uvine, International Wine Distribution Co;
6. Nicholas Bulleid: Wine Master.

Preliminary discussions have also been held with Coles Myer, Langtons, Fosters and a variety of other interested parties regarding the proposed sale of the investor's wine.

It is envisaged that the sales advisory committee will make preliminary recommendations to the Receiver and Manager by the end of January 2006.

A preliminary report will thereafter be made available to all investors for their consideration.

I envisage that this sales advisory committee will ultimately revert to a commercial enterprise which investors may subscribe to and enjoy the benefits of. I anticipate the sales advisory committee will focus on both wholesale and retail sales. I expect it will concentrate on overseas markets which will permit investors to recoup the sales tax paid by them which represents 29% of the wholesale price or roughly \$4.50 per bottle on the average purchase price. For investors, the sales advisory committee's overseas work will also likely to be supported by the government's export promotional grants which are 50c for each dollar spent on sales and marketing expenditure.

Distribution of wine: February 2006

I confirm that pursuant to court orders I shall be solely responsible for the distribution of wine. In this regard I am currently negotiating with subcontractors who will work under my direction. I anticipate that these arrangements will minimise the cost of the distribution.

I confirm that I remain responsible for the storage of all wine and all wine is currently held in secure temperature and humidity controlled environments consistent with the highest industry standards.

Wine will be available for distribution to investors from mid February. Distribution will take 1-4 months varying in accordance with the quantity to be relocated.

Investors will not be required to distribute their wine if they do not wish to. Investors may elect that as Liquidator of Heritage, I continue to store your wine.

ABN 79 955 319 413

Liability is limited by the Accountants Scheme approved under the Professional Standards Act 1994 (NSW)

In this regard I am delighted to announce that it is my intention to utilise the economics of scale that Heritage enjoys by providing storage and insurance at wholesale rates for whatever period of time that the sales advisory committee deems is necessary to formulate proposals for the sale of all wine.

I anticipate that this will realise a substantial savings for investors compared with the retail rates available from alternative storage vendors.

Investor Election: Distribution or continue to store with Receiver and Manager

On or about 15 January 2006, all investors will be required to make an election as follows:

1. Continue to store wine on a month to month basis at wholesale cost (thereby avoiding retail storage and insurance rates); or
2. Take possession of their wine.

The costs of each option will be disclosed to investors on or about 15 January 2006.

Office closure during Christmas / New Year period

Our office shall be closed from 25 December 2005 and shall re-open on 3 January 2006.

I take this opportunity to wish investors a happy and safe festive season and trust that you will be able to enjoy your wines in early 2006!

Yours faithfully

HERITAGE FINE WINES PTY LIMITED

**NICHOLAS CROUCH
RECEIVER AND MANAGER**