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2 February 2001

Diane Dewar Globe Wines Pty Limited 3/3 Milson Road CREMORNE POINT SW 2090

By Facsimilie 02/9904 5891

Dear Diane

301 Vintage - Prices

I refer to your facsimiles of 29 January and 1 February 2001.

You have requested Orlando Wyndham Group Pty Ltd ("OWG") to provide you with further grape price market information that supports the grape price offer provided to you by OWG on 8 January 2001.

Below I have outlined the prices by quality grade, at the Standard Baume of 12.5, that OWG has offered generally to its grape suppliers for Chardonnay grapes within the reference regions specified in the Agreement.

	Commercial	Semi Premium	Premium	Super Premium
Barossa	\$800	\$1025	\$1225	\$1500
McLaren Vale	\$920	\$1200	\$1400	\$1750
Padthaway	\$920	\$1150	\$1400	\$1750
Coonawarra	\$850	\$1100	\$1350	\$1650
Hunter	\$900	\$1200	\$1400	\$1750
Globe Wines	\$1062	\$1200	\$1400	\$1750

To date there has been a general acceptance by our suppliers of the prices offered. It is too early to gauge what other processors are offering for equivalent grapes. We have made these offers with reference to the prices paid in 2000 and with due consideration of the general supply of Chardonnay, which we believe will meet demand.

ORLANDO WYNDHAM GROUP PTY LTD ACN 007 870 046

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The offer made to you is higher than the reference regions for the commercial grade and equivalent or higher for the other grades.

Your vineyard was inspected by our Group White Winemaker, Bernie Hickin, and he agreed with the assessment of commercial quality as set out in my pricing offer letter of 8 January 2001. Recent weather events have done nothing to improve this outlook, rather they have x further encouraged the development of fungal rots which is of concern.

I believe that the offer set out in our letter of 8 January 2001 does represent a fair market price in accordance with clause 2.1.1 of the Grower Agreement dated 14 October 1993 ("the Agreement"). Having said this, I am of course willing to discuss this further with you if you wish.

Jonfirm that the standard Baume of 12.5 for Chardonnay as set out in our 8 January 2001 offer is correct.

I reiterate that we understand that you are clearly concerned about the general expected quality of the grapes from your vineyard. It was for this reason that your pricing offer included a reference to the "wine quality classification system" rather than a single price subject only to Baume and other physical quality adjustments. If in fact your grapes are of a quality higher than OWG has estimated, then you will receive the classification bonus for those grapes (on the basis set out in my pricing offer letter).

I understand that OWG and Globe Wines Pty Ltd have agreed on the processes for the harvesting of the grapes and deliveries have already commenced. To ensure that any dispute relating to pricing issues does not delay harvest (which could impact on the grape quality which is not in either of our best interests), I reiterate that we agree that payments for the grapes will be made on the basis of the prices offered in my letter of 8 January 2001 (without any adjustment for the wine quality classification at this stage). OWG will assume that you see happy with this arrangement unless I hear from you prior to any further delivery of the rapes.

If we cannot reach a final agreement in relation to the grape prices, then this matter will need to be referred to an independent expert in accordance with the terms of the Agreement. OWG remains willing to participate in an independent price assessment (including an assessment in relation to the 1999 and 2000 vintage) provided this is done in accordance with the Agreement and the process is not used to resolve other matters which are in dispute.

Field assessments of the ripest Chardonnay Blocks (Ken and Marie) were conducted on 29, 30 January and 1 February 2001. We confirm that Globe Wines agreed with the assessment of 5% severity for bunch rot in these blocks.

Under the terms of the Agreement and the terms of the price offer of 8 January 2001 the contract price of Chardonnay from the Ken and Marie blocks will be reduced by 8% due to the presence of the above mentioned level of mould.

Yours sincerely
ORLANDO WYNDHAM
GROUP PTY LTD

DON LESTER

National Viticulture Manager

c.c. Andrew Dibley 02/6543 2456, Kate Thompson 08/8208 2402

DCL 00137

Orlando Wyndham

6 February 2001

Globe Wines Pty Ltd
3/3 Milson Road
CREMORNE POINT NSW 2090

Attention : Diane Dewar

By Facsimile No 02 99045891

Dear Diane

## 2001 Vintage

We refer to previous communications regarding the above.

Yesterday, we commenced a further assessment of the grapes ("the Grapes") which are the subject of our contract dated 14 October 1993, with the exception of the grapes from the Ken and Marie blocks, which have been dealt with in separate correspondence.

Based on the results of that assessment which are available to date, it appears that the severity level of bunch rot is 5.1% to 8.4% with an incidence of herween 75% to 93% of the Grapes.

The Baume level of the Grapes was assessed on 3 February 2001 and they ranged from between 10.3 to 11.1. We expect that the effect of rain since that date will be to reduce these values to below 11.0 Baume. Further, by the time the Baume reaches a level at which the Grapes can be harvested, we expect that the percentage of bunch rot will be in excess of 10%.

On current indications, it appears that OWG will reject the Grapes due to their failure to meet the quality standards required by our contract.

We put you on notice of our intentions so that you may consider your position

In the circumstances, we are prepared to release you from your contractual obligations to supply the Grapes to OWG for this vintage on a no liability basis. This will entitle you to sell the Grapes elsewhere should you wish to do so..

Although OWG does not require any further Grapes at this quality level, we value our relationship with all our growers, including Globe Wines Pty Ltd. Accordingly, as a gesture of goodwill, and on a without prejudice basis, we are prepared to offer the following alternative to you:

ORLANDO WYNDHAM GROUP PTY LTD ACN 007 870 046

Groupe Pernod Ricard

Head Office: 33 Exerce Terrace Devon Park: SA 5008 GPO Box: 2246 Adelaide: SA 5001 Telephone: (08) 8208 2444 Facsimile: (08) 8208 2403

Cussomer Service: Telephore: 1300 343 153 Facsimile: 1300 343 103 00-FED-01 10.00

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OWG offers to purchase the Grapes from you on the following terms and conditions:

- . The price would be a fixed price of either:
  - \$650 per tonne provided the resultant wine achieves commercial grade (to be determined by OWG in its absolute discretion); or
  - \$350 per tonne provided the resultant wine achieves bulk grade (to be determined by OWG in its absolute discretion);
  - and in either case, there would be no deduction for baume (ie, subject to the conditions set out below, OWG would purchase Grapes even if they are below 11 baume)
- All other terms and conditions outlined in our pricing letter dated 8 January 2001 would apply;
- The Grapes would be assessed at the receiving weighbridge and, if relevant, additional deductions for MOG, Hydraulic Oil, Agro Chemical contamination, dilution with water, excessive temperature, fermentation, acctification, misuse of additives and non compliance with the Australian Food Standards Code would apply;
- OWG's offer to purchase the Grapes is conditional upon:
  - OWG having the ability to accept the Grapes from each block at its weighbridge at the relevant time (to be determined by OWG in its sole discretion) as it is anticipated that there will be difficulties in booking intakes at the weighbridge as a result of current elimatic conditions. You would be required to notify OWG at least 12 hours prior to the recommencement of harvesting of each block, and OWG would form an assessment about its weighbridge commitments during the relevant delivery period. If OWG is able to receive and process the Grapes from that block, then OWG will advise you of this and, subject to the condition below, OWG would then be required to purchase the Grapes from that block on the terms set out in this letter. If OWG is unable to receive and process the Grapes from that block, then you will be notified accordingly and OWG will have no obligation to purchase from you and you will have no obligation to sell to OWG the Grapes from that block. OWG's response to you in relation to each block will be given within 12 hours of OWG receiving the required harvesting notification from you; and
  - the level of the mould affected Grapes from each block being assessed (in the field) as being less than or equal to 10% prior to harvest. This assessment will be carried out by an OWG representative at your vineyard on a daily basis based on the harvesting notification provided to OWG in accordance with the above paragraph. This assessment will be made in OWG's sole discretion and you agree to accept OWG's determination in relation to this issue. If this condition is not satisfied in relation to a

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particular block, then OWG will notify you as soon as practicable and OWG will not be under any obligation to purchase the Grapes from that block.

Please note that the 2 conditions described above will be applied on a block by block basis ie OWG may purchase the Grapes from some blocks and not others. Obviously, this option will require continuous communication between us.

Please let us know by close of business on 7 February 2001 how you wish to proceed.

Without prejudice.

Yours faithfully ORLANDO WYNDHAM GROUP PTY LTD

DON LESTER

National Viticulture Manager

cc Andrew Dibley 02 6543 2456