



Valuation Report

Corryton Park Vineyard
Wirra Wirra Road
Pewsey Vale, SA

Regenal Investments Pty Limited

31 December 2010

Ref: VADEL3641

Valuation Details

Instructing Party	Reliant Party(s)	Regenal Investments Pty Limited as Nominee of CK Life Sciences Int'l Inc
Bonita Ho		
Planning and Investment Manager	Registered Proprietor	Australian Executor Trustees (SA) Ltd
CK Life Sciences Int'l Inc	Purpose of Report	Major Transaction Purposes
2 Dai Fu Street	Interest Valued	Freehold fee simple on both a vacant possession and an encumbered basis (subject to the existing lease).
Tai Po Industrial Estate	Date of Valuation	31 December 2010
New Territories, Hong Kong	Date of Inspection	7 December 2010
	Valuation – Date of Issue	In accordance with your written instructions dated 2 December 2010, our inspection of the subject property as at 7 December 2010 and the requested date of valuation as at 31 December 2010, we confirm that this valuation certificate has been provided as at 31 December 2010 (Date of Valuation).
		We have assumed that there will be no change to the property or the market between the date of issue and the date of valuation. Should we become aware of any relevant market information that may impact on the value of the property, up to and including 31 December 2010, we at our own discretion reserve the right to review and possibly amend the valuation analysis contained herein.

Property Overview

Brief Description

The subject property comprises an irrigated mature vineyard located in the Eden Valley GI, approximately 12 kilometres east of the township of Williamstown.

The property is leased to Burge Corp Pty Ltd for 5+5+5 years, with the current term due to expire on the 19th February 2013.

The vineyard was largely established in 1999 and 2000 to Cabernet Sauvignon, Merlot and Petit Verdot and has a strong history of supplying quality sought after fruit.

The property sources water from an adjoining property owned by the lessee (Burge Corp Pty Ltd) under an agreement that runs for an indefinite period.



Total Area	53.90 hectares (approximately)
Vineyard Area	41.82 hectares (approximately)
Roadways, headlands and creeks	12.08 hectares (approximately)
Local Government Area	Barossa Council
Zoning	Watershed

Major Issues

- The events of early 2008 including the initial sub-prime fallout in the United States and subsequent Global Financial Crisis (GFC) created uncertain times for both the equities and property markets in Australia which impacted to varying degrees upon a variety of market participants. The initial impact was focussed on the Listed Property Trust sector operating assets within the major commercial, industrial, retail and infrastructure sectors. While a degree of uncertainty still remains within these markets, the magnitude is notably less than that evident throughout 2008 and the majority of 2009. Improving levels of general market activity over recent times appears to have resulted in growing investor confidence, albeit shallower than that experienced prior to the GFC. The rural property market has typically lagged the experiences of the other major markets and traditionally has not displayed their volatility. However there have been some very substantial collapses within the managed investment scheme sector in particular that have dampened investor confidence. The very rapid tightening of credit availability that resulted from the GFC remains an issue within the Australian rural property market with LVR requirements causing a general pull back in many regional markets.
- In light of the improving levels of market activity evidenced in CBD and major regional real estate sales and leasing markets over more recent times, we note that investment returns for good quality assets with secure cash flows in many instances appear to have stabilised, and in some instances are showing signs of tightening. However, in contrast to this observation we note poorer quality assets and particularly those with considerable existing vacancy and / or short term major tenant expiry continue to be priced by the shallower market on an opportunistic basis, and thereby remain at risk of a prolonged period of softer yields. The same can be said for rural property markets where although transactions are rarely measured or negotiated on a yield basis, quality land types have retained more demand and hence tended to hold values ahead of less productive, secondary land types.
- We draw your attention to the fact that the market value adopted herein is subject to the issues outlined above, and should be closely monitored in light of future events. Furthermore, it is our recommendation that regular valuation updates be initiated and instructed by the party wishing to rely upon this valuation.
- We have been provided with planting details by Challenger Wine Trust that show the property has been developed to 41.82 hectares of irrigated vines.
- The subject property relies on irrigation water from 'Alexander Dam,' a substantial catchment fed dam located on adjoining property (Corryton Park homestead block) owned by the lessee (Burge Corp Pty Ltd). Binding water supply agreements are in place through a registered easement.
- As presently configured the subject property relies on irrigation infrastructure located on an adjoining land owned by the lessee (Burge Corp Pty Ltd). New suction line, pumps and filters were commissioned in the past 12 months, which are not protected by an easement.
- We acknowledge the lessee (Burge Corp Pty Ltd) is required to make good the subject land under the terms of the lease prior to vacating. As a part of that process the reinstatement of pumping infrastructure as configured prior to 2009 will occur. We reserve the right to amend our valuation report in the event a different arrangement is struck to the one outlined above.
- The property is currently leased to Burge Corp Pty Ltd for a term of 5+5+5 years commencing 20 February 2008 and expiring 19 February 2013.
- Enquires with Challenger Wine Trust have disclosed the lessee is slightly in arrears with rental payments. We have not been advised exact amounts although we understand it is minimal. Challenger Wine Trust invoices the lessee for Corryton Park Vineyard at the same time as they invoice Miamba Vineyard and Summers Vineyard (CWT owned asset where Burge Corp Pty Ltd is the lessee).

Key Assumptions

- We have assumed the lessee will exercise two options within our DCF calculations on the 20 February 2013 and 20 February 2018. Corryton Park Vineyard historically has been an important source of fruit for the Grant Burge Wines business.
- This valuation is made on the assumption that there are no actual or potential contamination issues.
- The planting details have been obtained from documentation provided by the current lessees and registered proprietor and we have assumed that the areas stated are accurate.
- Details in relation to historical yields and prices received have also been supplied by the registered proprietor and we have assumed that these are accurate.

- Our valuation assumes the water authorisation held by Burge Corp Pty Ltd allows for the irrigation of 42 hectares of grape vines from the water source known as 'Alexander Dam'.
- In preparing this valuation, we have been included a vacant possession value (unencumbered value) of the property ignoring the current lease and in this instance we have assumed that the fruit produced on the property will be saleable under contract commensurate with current yield and quality levels. The vacant possession value has been included to assist with determining a market rental for the subject property.

Verifiable Assumptions

- We highlight to Challenger Wine Trust that the current water supply easement must be amended to include the new suction line and irrigation infrastructure installed in the pump shed, all of which is located on Burge Corp owned land.
- We recommend Challenger Wine Trust obtain a copy of the Water Authorisation for the adjoining Burge Corp owned land and ensure its irrigation interest is noted on the Authorisation. Of particular importance is ensuring the authorisation allows for the irrigation of Corryton Park's 42 hectares of grape vines. Upon Burge Corp being issued with a water licence (in the next 12-18 months) CWT should ensure 50 megalitres of the licence is transferred to Australian Executor Trustees (SA) Ltd. The licence (once issued) will be transferable in its own right.

Valuation Criteria & Conclusion Vacant Possession Basis

Direct Comparison / Summation Approach

Vines	41.82 ha	@	\$52,123/ha	\$ 2,179,800
Roadways, headlands and creeks	12.08 ha	@	\$7,500/ha	\$ 90,600
Structural Improvements				\$ -
Total				\$ 2,270,400
Total (Rounded)				\$ 2,250,000

Valuation Criteria Encumbered Basis

Initial Yield		Reversionary Yield	
Capitalisation Rate	13.250%	Capitalisation Rate	10.250%
Rounded Value	\$2,350,000	Rounded Value	\$2,350,000
Discounted Cash Flow Inputs		Discounted Cash Flow Outputs	
Cash Flow Term	10 years	NPV of Cash Flows	\$1,570,935
Discount Rate	12.000%	Discounted Terminal Value	\$ 907,773
CAGR (10 Years)	-	Sum of Cash Flows	\$2,478,708
CAGR (10 Years)	-	Less Acquisition Costs	\$ 131,447
Terminal Yield	10.500%	Net Present Value	\$2,347,262
Capital Expenditure (Current Dollars)	\$0	Rounded DCF Value	\$2,350,000
Year 1 Forecast Capital Expenditure	\$0		

Valuation Conclusions Encumbered Basis

Adopted Value	\$2,350,000
Passing Initial Yield	13.32%
Equivalent Initial Yield	13.32%
Equivalent Reversionary Yield	10.32%
Internal Rate of Return (including capex)	11.98%
Internal Rate of Return (excluding capex)	11.98%
Direct Comparison	\$43,599 per hectare

Valuation

Market Value on an Unencumbered/Vacant Possession Basis:

\$2,250,000 – GST Exclusive

(TWO MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS)

Market Value on an Encumbered/Leased Basis:

\$2,350,000 – GST Exclusive

(TWO MILLION THREE HUNDRED AND FIFTY THOUSAND DOLLARS)

Colliers International Consultancy and Valuation Pty Limited



Nicholas Cranna, AAPI
Certified Practising Valuer
B Bus Prop (Valuations)

16 December 2010 (Date of Signing Report)



Alex Thamm, AAPI
Certified Practising Valuer
B Bus (Prop) Val

16 December 2010 (Date of Signing Report)

This report has been verified by **Angus Barrington-Case – Associate Director Consultancy and Valuation**

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

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- B. Letter of Instruction
- C. Certificate of Title Search
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1 INTRODUCTION

1.1 INSTRUCTIONS

We have received written instructions from Bonita Ho, CK Life Sciences Int'l., Inc, dated 2 December 2010, to determine the Market Value of Corryton Park Vineyard, Wirra Wirra Road, Eden Valley, SA on behalf of Regenal Investment Pty Limited in accordance with the Hong Kong Stock Exchange's regulatory requirements to determine the current market value for major transaction purposes as at 31 December 2010.

Our valuation has been prepared in accordance with Australian Property Institute (API) Valuation Standards.

We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant. Furthermore, we have prepared our valuation in accordance with our standard Terms of Business as previously provided to you and as appended at **Appendix A**.

The authenticity of this report and valuation contained herein may be confirmed by telephoning the signatory or the Valuation Director at the issuing office.

A copy of the Letter of Instruction is attached at **Appendix B**.

1.2 INFORMATION SOURCES

Our valuation conclusions have been reached after reviewing financial and tenancy information provided by Challenger Wine Trust. The information reviewed and supplied includes, although is not limited to, the following:

- Executed lease;
- Viticultural report dated February 2010;
- Property and lease summary;
- Planting Areas by variety, size and age supplied by Challenger Wine Trust;
- Water Licence details; and
- Other relevant information.

1.3 BASIS AND PURPOSE OF VALUATION

The subject property in our opinion is likely to be regarded as a leased investment. Consequently, in adopting this definition of value we are of the opinion that it is consistent with the definition of Market Value defined by International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API).

"Market Value" is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

This valuation report is provided by Colliers International Consultancy and Valuation Pty Limited (CICV) and not by any other company in the Colliers International Group. The valuation report has been prepared for **Major Transaction purposes** and should not be relied upon for any other purpose or by any person other than **Regenal Investments Pty Limited**. CICV accepts no responsibility for any statements in this report other than for the stated purpose. This report is issued on the basis that no liability attaches to the companies in the Colliers International Group other than CICV in relation to any statements contained in the valuation report.

1.4 PECUNIARY INTEREST

We advise that the Alex Thamm is qualified pursuant to the requirements of the Australian Property Institute (API) South Australian Division to practice as a Valuer and has had in excess of five years continuous experience in the valuation of similar property to the subject.

Further, we confirm that the nominated Valuer does not have a pecuniary interest that could conflict with the proper valuation of the property, and we advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

1.5 DATE OF VALUATION

31 December 2010 based upon our inspection of 7 December 2010. Due to possible changes in market forces and circumstances in relation to the subject property the report can only be regarded as representing our opinion of the value of the property as at the date of valuation, which has been based on appropriate assumptions determined as at the date of signing of report. We have assumed the property is in the same condition on the valuation date as the inspection date.

1.6 VALUATION DATE OF ISSUE

In accordance with your written instructions dated 2 December 2010, our inspection of the subject property as at 7 December 2010 and the requested date of valuation as at 31 December 2010, we confirm that in accordance with your instructions that this final valuation report has been provided as at 31 December 2010 (Date of Valuation).

We have assumed that there will be no change to the property or the market between the date of issue and the date of valuation. Should we become aware of any relevant market information that may impact on the value of the property, up to and including 31 December 2010, we at our own discretion reserve the right to review and possibly amend the valuation analysis contained herein.

1.7 PREVAILING MARKET CONDITIONS – UNCERTAIN TIMES

The events of early 2008 including the initial sub-prime fallout in the United States and subsequent Global Financial Crisis (GFC) created uncertain times for both the equities and property markets in Australia which impacted to varying degrees upon a variety of market participants. The initial impact was focussed on the Listed Property Trust sector operating assets within the major commercial, industrial, retail and infrastructure sectors. While a degree of uncertainty still remains within these markets, the magnitude is notably less than that evident throughout 2008 and the majority of 2009. Improving levels of general market activity over recent times appears to have resulted in growing investor confidence, albeit shallower than that experienced prior to the GFC. The rural property market has typically lagged the experiences of the other major markets and traditionally has not displayed their volatility. However there have been some very substantial collapses within the managed investment scheme sector in particular that have dampened investor confidence. The very rapid tightening of credit availability that resulted from the GFC remains an issue within the Australian rural property market with LVR requirements causing a general pull back in many regional markets.

In light of the improving levels of market activity evidenced in CBD and major regional real estate sales and leasing markets over more recent times, we note that investment returns for good quality assets with secure cash flows in many instances appear to have stabilised, and in some instances are showing signs of tightening. However, in contrast to this observation we note poorer quality assets and particularly those with considerable existing vacancy and / or short term major tenant expiry continue to be priced by the shallower market on an opportunistic basis, and thereby remain at risk of a prolonged period of softer yields. The same can be said for rural property markets where although transactions are rarely measured or negotiated on a yield basis, quality land types have retained more demand and hence tended to hold values ahead of less productive, secondary land types.

2 LOCATION

The subject property is located in the area known as Pewsey Vale, which forms part of the region described as Eden Valley. More specifically the property is located approximately 12 kilometres due east of Williamstown and has road frontages to Wirra Wirra Road along its eastern boundary and Blockers Road at its southern and western boundaries. Both roadways are metal surfaced carriageways of good condition, with Corryton Park Vineyard approximately one kilometre north of the Williamstown Springton Road which is a bitumen roadway.

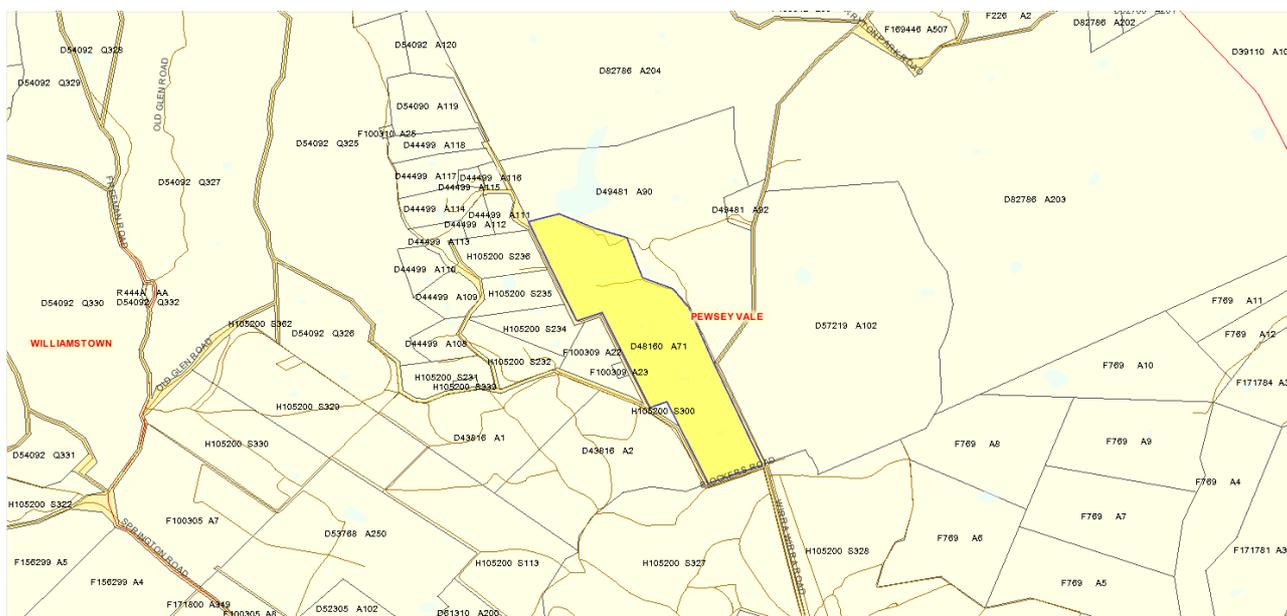
Williamstown is approximately 53 kilometres north east of the Adelaide CBD and provides a modest range of services, including schooling shopping, banking and medical.

Corryton Park vineyard borders Burge Corp (lessee) owned land to the north and east, with adjoining land home to Corryton Park homestead a majestic heritage listed mansion. Burge Corp utilise the adjoining land for grazing pursuits but are in the preliminary stages of planting around eight hectares of vines.

In terms of wine regions, the subject property is situated within the Eden Valley Geographic Indication of South Australia.

It is a cool climate growing region and noted for the production of premium and super premium wines. Majority of the varieties planted in the GI include Shiraz, Cabernet Sauvignon and Riesling. Surrounding uses in the Pewsey Vale area include viticulture, pine forests, grazing, rural living and National Parks.

The location of the subject property is indicated in yellow in the map below.



Source : © 2010 Google Maps

3 TITLE PARTICULARS

3.1 TITLE REFERENCE

Title Details		
Search Date	7 December 2010	
Local Government Area	Barossa Council	
Area	Pewsey Vale	
Hundreds	Barossa and Para Wirra	
Legal Description	Volume / Folio	Registered Proprietor
Allotment 71 within Deposited Plan 48160	5504 / 842	Australian Executor Trustees (SA) Ltd

The total area of Corryton Park Vineyard as calculated from the title plan is approximately **53.90 hectares**.

3.2 ENCUMBRANCES, EASEMENTS AND INTERESTS

We highlight the following notations on Title:

Notation	Description
8443482	Lease to Burge Corp Pty Ltd commencing on 19.2.1998 and expiring on 18.2.2008
8443489	Caveat by Burge Corp Pty Ltd
8515928	Mortgage to National Australia Bank Ltd
8587163	Mortgage to National Australia Bank Ltd
8796869	Mortgage to National Australia Bank Ltd
9230908	Extension of Lease 8443482 expiring on 19.2.2008
10942373	Extension of Lease 8443482 expiring on 19.2.2013
Easement	Together with the easement over the land Marked A. <i>The easement is for water supply purposes and protects underground pipes to a large catchment fed dam constructed on adjoining land owned by Burge Corp (lessee). The dam provides irrigation water to the subject property. We note that irrigation infrastructure that once utilised the pipes protected by the said easement has been relocated. Refer to Section 11.2 Irrigation Infrastructure for full details on the matter.</i>

We have assumed that there are no other encumbrances or notations except those shown on the Title or noted in this valuation report.

We also note that this valuation is conditioned upon the basis that the abovementioned encumbrances or easements on title have no material affect on value, marketability or current development.

We have assumed there are no easements, rights of way or encroachments except those shown on the Title or in the valuation.

A full copy of the Title Search is attached at **Appendix C**.

4 SITE PARTICULARS

4.1 SITE DETAILS

Frontage	The property has a frontage of approximately 600 metres to Wirra Wirra Road on the eastern boundary of the property and a frontage of 1.6 kilometres to Blockers Road on the southern and western boundaries of the property.
Area	53.90 hectares (approximately) as shown on the Title Plan.
Topography / Soils	<p>The property comprises primarily gently sloping to slightly undulating land with a predominantly easterly aspect.</p> <p>Numerous seasonal watercourses are located throughout the property with the watercourses running from the western Blockers Road boundary of the property to the eastern boundary of the property and numerous small holding dams have been constructed on these watercourses initially used for stock watering. They are now used to break up the flow of water through the property in periods of heavy deluge.</p> <p>Located on the western side of the property is portion of the Mount Crawford pine forest with this acting as a windbreak to the property. From our inspection, it appears that all of the land available for planting has been developed with adequate provision for headlands and roadways throughout the property. Some large native trees are located on the property and have been incorporated into the design of the vineyard.</p> <p>Soils to the subject property generally comprise a duplex type soil comprising red brown earth over yellow clay ranging in depth across the property.</p> <p>Please note that this report has been prepared without the benefit of any formal soil surveys and our comments are qualified accordingly.</p>
Drainage / Frost	The subject property is well drained and considered to be frost free apart from some of the low lying parts near the eastern boundary. The vineyard is pruned as late as possible to retard bud burst in an attempt to delay the onset of vine growth and hopefully avoid any early season frosts.
Rainfall	Rainfall in the region ranges between 600mm to 650mm per annum according to Bureau of Meteorology records.
Access	Access to the property is taken from either Wirra Wirra Road or Blockers Road. The property also has direct access to adjoining Burge Corp owned land. A metal surfaced internal roadway provides good access to all parts of the vineyard.
Utilities	The property is not connected to any essential services. Electricity and telephone are available in the area. Both services are connected to Corryton Park Homestead (adjoining property).



Earthen dam



Drain and metal surfaced perimeter road

4.2 SITE IDENTIFICATION

The site has been identified by reference to the Title Plan and aerial imagery as delineated below.



Source : © 2010 Google Maps

We have physically identified the boundaries of the property and whilst there does not appear to be any encroachments, we are not qualified surveyors and no warranty can be given without the provision of an identification survey.

5 PLANNING CONTROLS

5.1 ZONING

Local Government Area	Barossa Council
Zoning	Watershed
Consolidated	14 October 2010
Objectives	<p>Objective 1: Protection of the quality and utility of water resources in the catchments of the South Para, Warren, Barossa, Millbrook and Kangaroo Creek Reservoirs from pollution and contamination.</p> <p>Objective 2: The prevention of development which could lead to a deterioration in the quality of surface or underground waters within the Mount Lofty Ranges Watershed.</p> <p>Objective 3: A zone providing for agriculture, forestry and conservation or recreation areas compatible with the zone's important water catchment function.</p> <p>Objective 4: Maintenance of a desired open rural character derived from open or wooded pasture land stands of native vegetation commercial forests and reservoirs, with scattered farm buildings that are unobtrusively located and designed to blend in with the surrounding landscape.</p> <p>Objective 5: Conservation and enhancement of native vegetation.</p> <p>Objective 6: Containment of existing rural living areas.</p> <p>Objective 7: The development of agricultural industries (small-scale), wineries, mineral water extraction and processing plants and home based industries in rural areas.</p> <p>Objective 8: The extension of the economic base of the Mount Lofty Ranges Region in an environmentally sensitive and sustainable manner.</p>
Permitted Use	The current use of the property as an irrigated vineyard is in compliant use within the zone.
Heritage Listing	Not applicable.
Native Title	Our research indicates that the property is not the subject of any native title claim.

5.2 PLANNING PERMIT

We have not sighted any planning permits or building permits in relation to the construction of the improvements, we assume that appropriate permission has been granted by the relevant statutory authority in relation to the existing improvements on site.

A copy of the town planning extract is contained with **Appendix D**.

6 ENVIRONMENTAL ISSUES

6.1 SITE CONTAMINATION

A visual site inspection in consideration of the past land uses has not revealed any obvious pollution or contamination.

The property has been used for viticultural purposes for many years. During these activities, chemicals in the form of fertilisers and sprays would have been applied to the land and fuel and oils stored on the land. These activities could have given rise to low level contamination similar to that found in the district and reflected in the prices paid generally for land in the area.

We are not aware of the fully details with regard to usage of the site prior to the current use, however, we have no cause to believe that the site has been contaminated.

We advise that we are not experts in the detection or quantification of any environmental problems, and accordingly have not carried out a detailed environmental investigation.

Therefore, this valuation is made on the assumption that there are no actual or potential contamination issues affecting:

- i) the value or marketability of the property;
- ii) the site.

Verification that the property is free from contamination and has not been affected by pollutants of any kind should be obtained from a suitably qualified environmental professional. Should subsequent investigation say that the site is contaminated, this valuation will require revision.

At the time of inspection there were no signs of visible site contamination. We are unaware of any past or proposed use of the land that could create potential liabilities under the environmental use protection legislation.

We have not been provided with an environmental audit report of this site.

6.2 BUILDING MATERIALS

Our site inspection did not reveal any obvious signs of asbestos products however, we cannot certify the site free of contamination.

We recommend that if the parties whom wish to rely on this report have any concerns in relation to potential asbestos contamination, they should request the owner to commission a survey and to prepare an Asbestos register.

Should such a survey detect installed asbestos products, we recommend that the details of that survey be provided to us in order that we may consider any potential implications to our assessment and effect amendment to our report, should that be necessary.

7 STATUTORY ASSESSMENT

The Valuer General conducted a general valuation within The Barossa Council as at 1 January 2010, and determined values as they relate to the subject property for the 2009/10 financial year as follows:-

Valuation No	Site Value	Capital Value
9692593003	\$950,000	\$1,825,000

These valuation amounts are used for rating and taxation assessments only and are quoted for information purposes only.

8 PROPERTY OVERVIEW

Corryton Park Vineyard was developed from 1999 through to 2001. The vineyard has been established to a high standard and is currently leased to Burge Corp Pty Ltd, with their lease set to expire in February 2013. The tenant does however have two five year options as per the lease agreement, although negotiations between the relevant parties regarding the first option have not commenced at the time of preparing the report.

The vineyard is 41.82 hectares in area with fruit produced from the property utilised in premium Grant Burge Wine labels. The varieties are well suited to the location with the lessee maintaining the vineyard to a high standard according to a vineyard report prepared by Schofield Robinson Horticultural Services in February 2010 and supplied by Challenger Wine Trust.

Irrigation water is sourced from adjoining land owned by the lessee.



Merlot Plantings



Cabernet Sauvignon

9 IMPROVEMENTS

9.1 DESCRIPTION

The subject property is largely devoid of building improvements apart from a disused pumping shed which covers an old bore. The shed is considered to have no commercial value.

10 LAND BREAK-UP

10.1 VINEYARD PLANTINGS

We have been supplied vineyard plantings by Challenger Wine Trust, which area as follows:

Corryton Park Vineyard, Wirra Wirra Road, Pewsey Vale, SA		
Variety	Age	Area (ha)
Cabernet Sauvignon	1999-00	29.79
Petit Verdot	2000	2.89
Merlot	1999-01	9.14
Total		41.82

The above planting details have been obtained from documentation provided by the registered proprietor. We have also taken random check measurements of the planting grid and are satisfied that the areas as described in the above table appear reasonable. However, it should be noted that we have not undertaken an individual vine count, nor measured the row lengths to establish precise areas. Should any variances in the planting areas be identified, then this report should be referred back to the valuer for comment.

Vineyard trellising comprises treated pine end and intermediate posts to which have been affixed a drip wire and a single cordon wire with two sets of lifting wires or foliage wires. The planting grids through the vineyard appear to be uniform with 3.0 metre row spacings by 1.5 metre vine spacings. Intermediate posts are spaced at 6.0 metre intervals with four vines planted per panel.

No weed infestation issues were noted at inspection with all vine mid rows generally well maintained. The vines were dormant at the time of the inspection.



Cabernet Sauvignon



Cabernet Sauvignon

10.2 OTHER LAND

The balance of the land not planted to wine grapes comprises roadways, creeklines, headlands and catchment fed dams. From our discussions with the lessee the property has no additional land suitable for vineyard development.

11 PRODUCTION

The historical production for the property by variety is outlined in the table below. Discussions with Grant Burge Management have revealed they aim to crop the vineyards in the 4-5.5 tonnes per hectare band with climatic conditions typically dictating yield levels.

Variety	2010 yield	2009 yield	2008 yield	2007 yield
Cabernet Sauvignon	110.61	105.9	137.95	141.37
Petit Verdot	10.54	9.40	10.06	13.83
Merlot	56.92	71.05	39.92	57.10
Total	178.07	186.35	187.93	212.30
Hectares Bearing	41.82	41.82	41.82	41.82
Yield /Ha	4.26	4.45	4.50	5.07

Corryton Park vineyard is the last site Grant Burge Wines harvest. The vineyard is typically cropped at low tonnages to maintain quality levels and allow the fruit to ripen. The lessee has had no problems with ripening late season reds (provided the vineyard is cropped accordingly) as can sometimes be experienced in cool climate grape growing regions. The quality of the fruit at the aforementioned yields is very high according to discussions with Grant Burge.

12 WATER AND IRRIGATION

12.1 WATER LICENCE DETAILS

The subject property has indefinite water entitlements through a binding water supply agreement and registered easement. The registered proprietors of Corryton Park Vineyard are legally entitled to draw up to 50 megalitres of water per annum from a dam described as 'Alexander Dam' situated on adjoining land owned by the lessee (Burge Corp Pty Ltd). The key points of the agreement are summarised in the table below:

Supplier	Registered Proprietor of Allotment 90 in Deposited Plan 49481 (Burge Corp)
User	Registered Proprietor of Allotment 71 Deposited Plan 48160 (Australian Executor Trustees (SA) Ltd)
Term	Indefinite period
Volume	50 Megalitres per annum (1.20ML per planted hectare) from the dam known as 'Alexander Dam.'
Conditions	<p>The supplier does not warrant or guarantee the supply of water from the dam and will not be liable to the user any losses or damage that may arise as a result of the following:</p> <ul style="list-style-type: none"> The supplier shall at all times be at liberty to draw from the dam all reasonable quantities of water for the following: (i) usual household and domestic purposes, (ii) general watering for fire protection, (iii) release water into the creek for stock watering and maintaining ecology of the creek. The user is responsible for all pipes, pumps and water consumption meter and the ongoing maintenance and costs associated.

The subject property and adjoining Alexander Dam fall within the Western Mount Lofty Ranges catchment area. Prior to October 2004 the region had no restrictions with regards to irrigation, creation of dams and commissioning of new bores etc. In October 2004 the Western Mount Lofty Ranges catchment area was placed under moratorium as part of the process wherein the region will become a prescribed water resource. Upon formal prescription of the region, a volumetric water licence will be issued to the registered proprietor (Burge Corp Pty Ltd) of 'Alexander Dam'.

At the date of valuation Burge Corp Pty Ltd will hold a water authorisation, issued from the Department of Water Land Biodiversity and Conservation (DWLBC). The authorisation clearly states allowable irrigation uses from prescribed sources (eg 'Alexander Dam') for specific areas and crop types.

We have not been provided a copy of the water authorisation as the document is a private document not available to the public. The document essentially allows for the registered proprietors to utilise water on an 'as per usual' basis.

We point out to Challenger Wine Trust (CWT) that it is critical to closely monitor the present situation to ensure the following occurs:

- We recommend CWT obtain a copy of the Water Authorisation and ensure its irrigation interest of 42 hectares of grape vines is noted on the Authorisation.
- Upon Burge Corp Pty Ltd being issued with a water licence (in the coming 12-18 month period) CWT should ensure 50 megalitres of the licence is transferred to Australian Executor Trustees (SA) Ltd. The licence (once issued) will be transferable in its own right.

Our valuation assumes the water authorisation held by Burge Corp Pty Ltd allows for the irrigation of 42 hectares of grape vines from the water source known as ‘Alexander Dam’.

12.2 IRRIGATION INFRASTRUCTURE

Water for the vineyard is stored in a substantial catchment fed dam adjacent the vineyard on Burge Corp owned land. When full, the dam can provide adequate water for several seasons even if below average rainfall is received.



‘Alexander Dam’ (adjoining land)



Pump Shed (adjoining land)

Prior to 2008/09 the subject property was irrigated as a standalone vineyard with a Grundfos centrifugal pump powered by a four cylinder Deutz diesel motor. Water was pumped from the dam through a bank of three Netafim sand filters to the vineyard. In 2009/10 the infrastructure was decommissioned and a new suction line and pumping infrastructure was installed. The infrastructure is located directly south of ‘Alexander Dam’ and is housed in a new pump shed near the Corryton Park residence on Burge Corp owned land.



Old Pump site at date of valuation



Old pumping infrastructure (prior to decommissioning in 2009/10)

CICV were unable to gain access to the new pump shed at the time of our inspection although our verbal enquiries with the lessee have revealed that three electric pumps were installed to allow a greater area of vines to be irrigated at any one time. Corryton Park vineyard is watered in eight shifts using 13 valves. Water is transferred via a series of 300mm class 9 PVC main lines into 50mm sub-mains which in turn supply an in-line pressure compensator poly drip system with an advised capacity of 1.6 litres per hour at 750mm drip spacings. The system incorporates five moisture probes together with a weather station.

We highlight to Challenger Wine Trust and National Australia Bank Limited that the current water supply easement must be amended to include the new suction line and irrigation infrastructure installed in the pump shed, all of which is located on Burge Corp owned land. We acknowledge the lessee (Burge Corp Pty Ltd) is required to make good the subject land under the terms of the lease prior to vacating. As a part of that process the reinstatement of pumping infrastructure as shown above will occur.

It is our understanding the lessee is in the initial stages of plantings around eight hectares of vines adjacent 'Alexander Dam'. We have been verbally advised by the lessee the same irrigation infrastructure that is utilised by Corryton Park vineyard will support the new plantings. We recommend Challenger Wine Trust ensures the supply of irrigation water to the subject property is not compromised by the new plantings on the adjoining land. The reinstatement of separate irrigation infrastructure will avoid any issues arising from sharing pumping infrastructure.

We reserve the right to amend our valuation report in the event a different arrangement is struck to the one outlined above.

13 TENANCY DETAILS

13.1 LEASE SUMMARY

Leased Premises	The whole of the land comprised in Certificate of Title Register Book Volume 5504 Folio 842
Lease Status	Registered Lease 8443482 together with extension of lease 9230908 and extension of lease 10942373
Lessee	Burge Corp Pty Ltd
Term	5 years commencing 20 February 2008
Expiry	19 February 2013
Option	Two rights of renewal of five years each
Initial Rental	\$303,800 per annum excluding GST (\$3.10m x 9.8%). Rent is payable monthly payable in advance.
Current Rental	\$312,982 per annum excluding GST
Review Basis	Fixed increases of 1.5% of the former rent. Market reviews are calculated by multiplying 9.8% by the market value of the subject property. The assessed rental cannot be less than the rent payable immediately prior to the previous period.
Outgoings	Lessee to pay all outgoings as the lease is triple net
Permitted Use	Viticulture
Guarantee	Nil
GST	Lessee to reimburse Lessor
Special Conditions	The lessee has first right of refusal to purchase the subject property in the event the lessor wishes to sell the premises.

13.2 PENDING RENTAL REVIEWS

We note that the next rental review is due on 20 February 2011.

13.3 LEASE EXPIRY PROFILE AND WEIGHTED LEASE DURATION

Average Lease Duration	2.14
Weighted Lease Duration by Area	2.14
Weighted Lease Duration by Income	2.14

13.4 OUTGOINGS

The Lease is a triple net lease where the lessee is liable for all outgoings.

13.5 ARREARS

Enquires with Challenger Wine Trust have disclosed the lessee is slightly in arrears with rental payments. We have not been advised exact amounts although we understand it is minimal. Challenger Wine Trust invoice the lessee for Corryton Park Vineyard at the same time as they invoice Miamba Vineyard and Summers Vineyard (CWT owned asset where Burge Corp Pty Ltd is the lessee).

13.6 GOODS AND SERVICES TAX (GST)

We note that the property would be considered a Going Concern under the Australian Taxation Office Ruling GSTR 2002/5, and as such would not attract GST on the sale price. In this regard we further advise that this valuation is a GST exclusive market valuation, on the basis that the property would be sold as a Going Concern.

This valuation is based on the assumption that any GST levied or imposed on or in respect of any supply made under or in accordance with both the current and future leases, that the amounts payable for that supply will be increased by the amount of GST so levied or imposed. If this assumption is found to be incorrect, or if the party on whose instruction this valuation is provided wishes our valuation to be based on a different assumption, then this valuation should be referred back to the Valuer for comment and in appropriate cases, amendment.

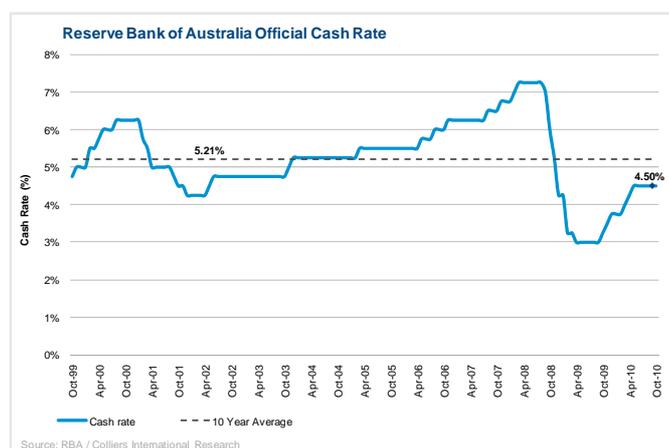
Even where a lease appears to address the issue of GST, the Valuer expresses no view as to whether the provisions of the lease entitle the lessor to pass on the GST to the lessee, as to do so would require the Valuer to express a legal expert opinion. The Valuer recommends that before relying on the valuation the parties should undertake a legal audit of all contracts affecting the property including lease documentation and to check the results against the assumptions made within the valuation report.

14 MARKET COMMENTARY

14.1 ECONOMIC UPDATE

Cash Rate Holds Steady

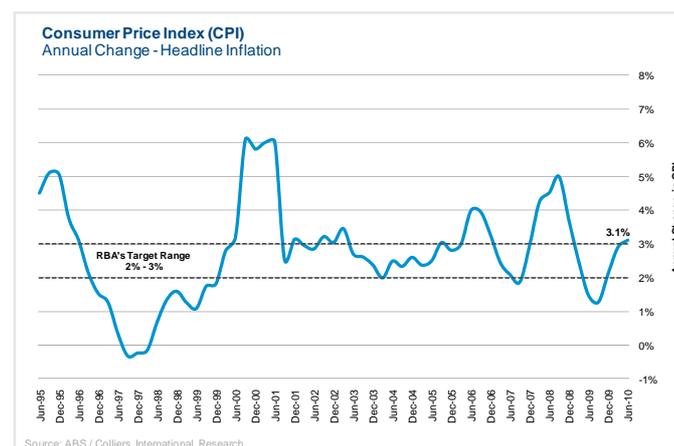
In a surprise move, the Reserve Bank of Australia (RBA) decided to keep the official cash rate steady at 4.50%, during their monthly board meeting in October 2010. The majority of economists had expected an increase of 25 basis points due to the current strength of the Australian economy combined with the fact that inflation is currently at the top of the RBA's target range of 2% to 3%. The RBA's decision was based on the view that world economic growth has slowed and there was still a degree of uncertainty across the global financial markets. It also seems that the RBA's previous concerns



about the impact to the domestic economy from sovereign debt risks in Europe and the fragile nature of US economic recovery has again influenced it's the decision on domestic official interest rates. It seems that only a major slowdown in domestic inflation can prevent a rise in rates when the board next meets in November, with the RBA finishing its October statement saying "it is likely that higher interest rates will be required, at some point, to ensure that inflation remains consistent with the medium-term target".

Inflation above RBA Target

Recent data released by the Australian Bureau of Statistics (ABS) showed the national Consumer Price Index (CPI) recorded a growth of 0.6% in the June 2010 quarter. This equates to an annual headline inflation growth rate of 3.1% from March 2009 to March 2010, increasing above the RBA's target range of 2-3%. Underlying inflation increased by 0.5% over the March 2010 quarter, equating to growth of 2.7% over the year. The most significant price rises during the March 2010 quarter were for tobacco (+15.4%), hospital and medical services (+3.8%), automotive fuel (+2.1%), rents (+1.1%) and house purchase (+0.6%). While the most significant offsetting price falls were for domestic holiday travel and accommodation (-6.0%), fruit (-4.8%), audio, visual and computing equipment (-6.3%) and vegetables (-3.0%). The latest forecasts from Westpac Bank suggest that inflation will increase 1.2% during the September 2010 quarter, to 3.3%.

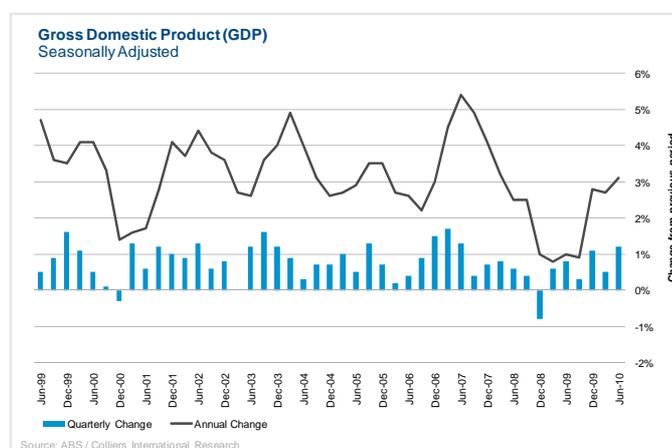


Australian Dollar Comes Close to Parity

The Australian dollar has continued to go from strength to strength, reaching 99.18 US cents on the 8th of October, its highest point since the currency was floated in 1983. After slipping to 95.5 US cents immediately after the RBA's October decision to keep the official cash rate on hold, the dollar then jumped to its record level two days later with the release of strong employment growth figures. The strength of the Australian dollar's has come from the ongoing growth in commodity prices and trade which has stabilised the Australian economy while uncertainly still remains over the strength of the United States economy as the American Federal Reserve begins to release further stimulus measures.

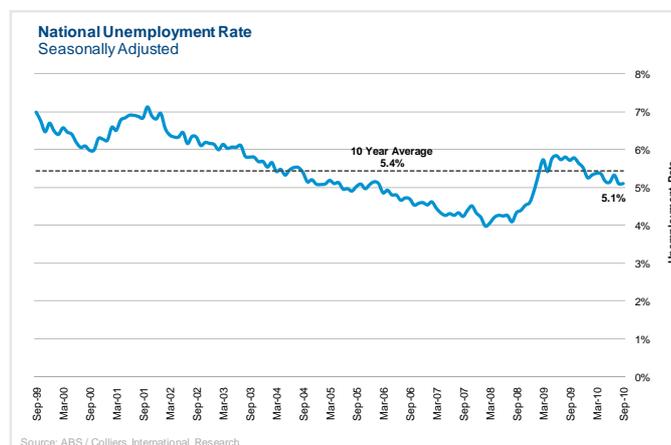
GDP Growth Accelerates

Australian National Accounts data for the June Quarter 2010, show that GDP continued to accelerate, growing by a stronger than expected 1.2% on a seasonally adjusted basis. This result has reinforced Australia's position as one of the best performing economies in the developed world. Notably, private consumption provided the largest contribution to growth during the quarter. This is a timely shift away from the recent phase of reliance on public expenditure to stimulate economic growth. While this is an enviable result by world standards, Australia's future economic growth will continue be influenced by conditions in the US, Europe and mostly Asia. Australia remains well positioned to accommodate coal and ore demand from the rapidly urbanising China and from India. Access Economics forecasts GDP growth of 3.5% for 2011.



Unemployment Rate Heads Towards 5%

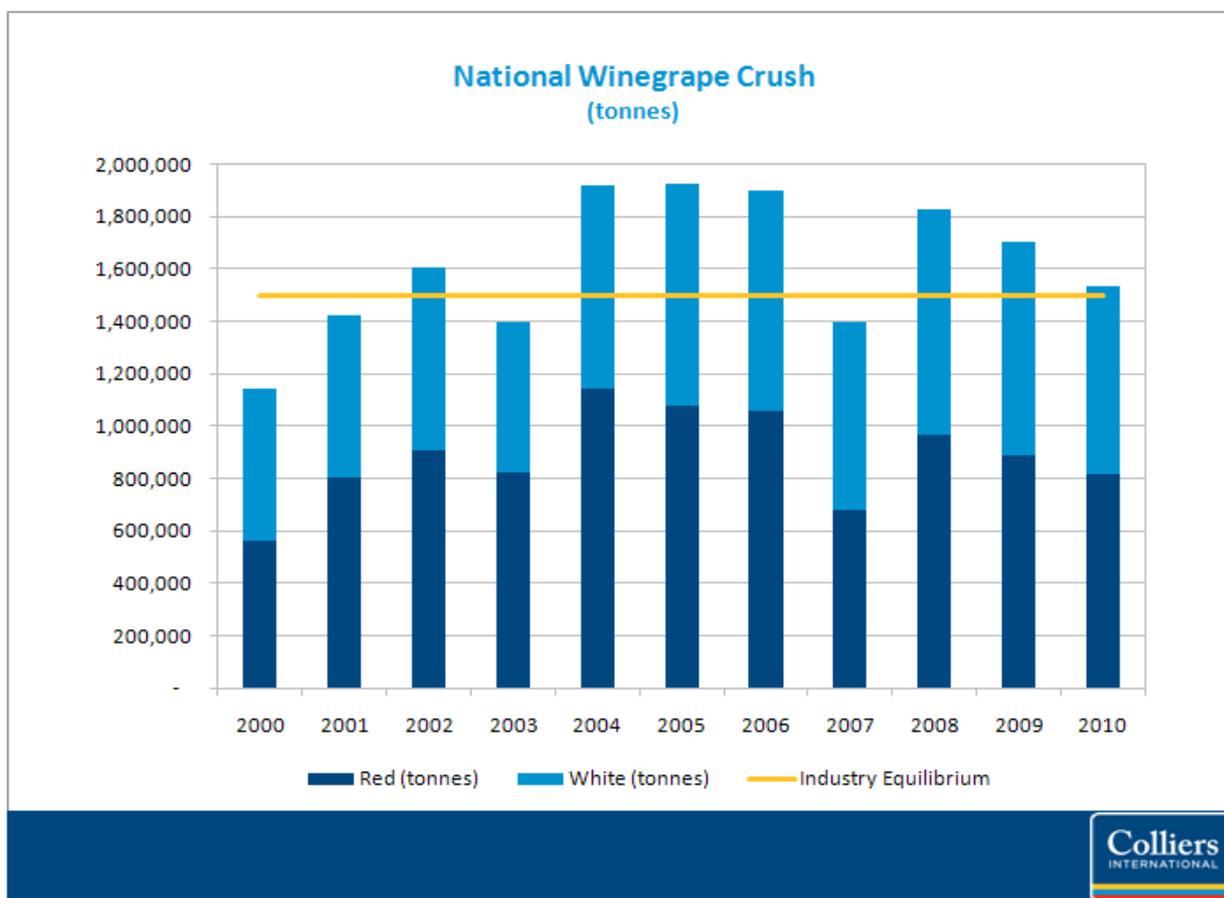
In further evidence that the national economy is performing strongly, the latest Labour Force data shows that, in seasonally adjusted terms, national employment rose by 49,500 persons in September 2010, well above market expectations. Despite this increase in employment the unemployment rate remained steady at 5.1% as the participation rate rose by 0.2% to 65.6%. A key result within the the release was the increase of 55,800 full time jobs during the month. This indicates the high levels of employer confidence in the economy.



14.2 AUSTRALIAN WINE INDUSTRY OVERVIEW

The Australian wine industry is currently experiencing some challenging times with the following factors contributing to varying levels of optimism across the industry:

- The wine industry has experienced a level of insecurity in both demand and supply over the preceding 24 months.
- Figures released by The Winemakers Federation of Australia show the 2010 wine grape crush yielded approximately 1.53 million tonnes, which is below the five-year average of 1.68 million tonnes, bringing it to a level closer to current demand. The Winemakers Federation of Australia's estimate of red intake is 817,000 tonnes or 53% of the total crush and the white intake is estimated to be 715,500 tonnes or 47% of total crush. The 2010 crush was shorter than industry experts anticipated. History tends to suggest that when annual grape crushes have been around the 2010 level (close to equilibrium) buying competition from wineries can occur throughout harvest. Unfortunately for grape growers this was not the case for 2010. This lack of buying activity may be due to low financial returns being experienced in the industry. In the event a similar scenario occurs for the 2011 vintage we may see this increased profitability in the industry flow through to property transactions.
- According to publications released by Australian Bureau of Agricultural and Resource Economics (ABARE), Australia has approximately 162,000 hectares of grape vines in production. For the year ending 30 June 2010 approximately 7,000 hectares were removed from mainly inland warm climate regions and 13,000 hectares not harvested. We expect to see additional vines removed in the short to medium term as a result of poor economic prospects in the industry.



Source: Winemakers Federation of Australia, Australian Wine and Brandy Corporation, Colliers International Research

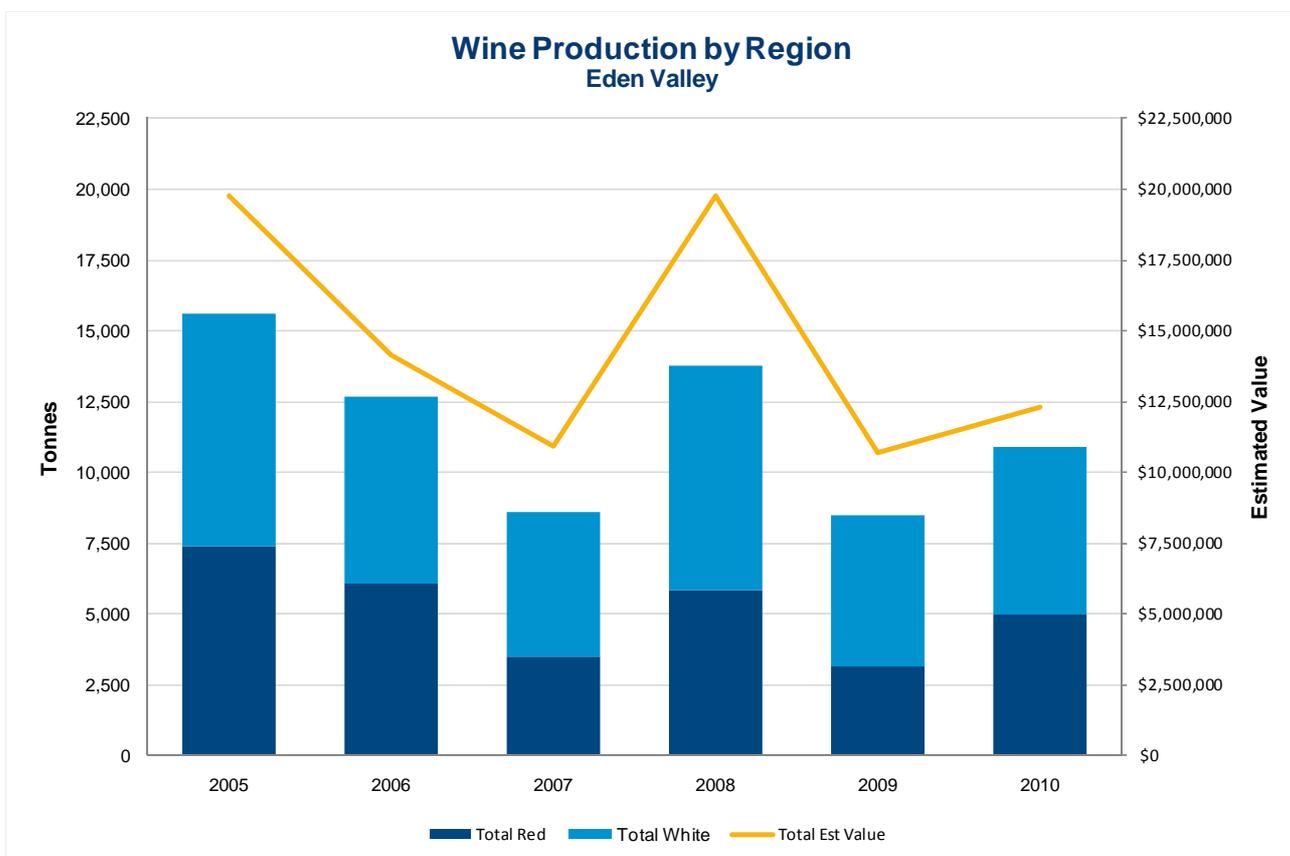
- There has been a limited amount of voluntary market activity occur throughout the major Australian wine growing regions in the past twelve to eighteen months. Large wine companies including Australia Vintage Limited, Constellation Wines Australia (CWAU), Fosters Wine Estates (FWE) and Lion Nathan to name a few have or are in the process of divesting a number of assets and reviewing their business structures. The reviews have placed a substantial volume of assets on the market which are largely a result of balance sheet driven decisions. This flood of assets to the market has resulted in buyers being awash with choice. Our research has revealed that in some instances transactions have occurred at rates indicative of vacant land values for their respective locations given the lack of returns able to be generated from these assets.
- In May 2010 Fosters the largest vineyard owner (circa 9,000ha), announced plans to pursue a demerger of their Beer and Wine business (Treasury Wine Estates), creating separately listed businesses. No decision on timing or structure of the demerger has been announced. In September 2010 Foster's announced it had received an unsolicited expression of interest from an international private equity firm to acquire the wine assets of Treasury Wine Estates for a cash consideration of between \$2.3 billion and \$2.7 billion for 100% of the assets. The proposal was rejected. As at 30 June 2010, Treasury Wine Estates had sold 22 of the 36 vineyards identified for sale, with total sale proceeds of \$59.5 million which is well below the purported book value of circa \$200 million for all the assets offered for sale.
- In addition to the above large wine companies, many small to medium wine companies both prominent and secondary locations have offered assets for sale with mixed results. We also are aware of some industry participants who have received pressure to maintain financing covenants at suitable levels. Broad estimates have revealed that over the past two years in excess of \$750 million worth of wine industry assets has been offered for sale nationally of varying sizes, locations and price points. A figure which is well above normal market conditions prior to the GFC.
- The recent uncertain times that are being experienced globally are contributing to a decrease in profits and the value of exports as well as excess supply and growth in global competition. Our currency (AUD) is currently trading at around parity with the US dollar (Nov'10) up from a low of \$US0.61 (October 08). The very high Australian dollar has contributed to eroding export profits and the price competitiveness of Australian wine exports on the overseas market. According to The Australian Wine and Brandy Corporation in the year ending June 2010, the volume of Australian wine exported increased 3.3% to 775 million litres, primarily made up of bulk wine. The total value was AUD\$2.17 billion in the year ended June 2010. Factors that contributed to the volume growth were stock clearing through opportunistic bulk wine exports priced at below \$1AUD per litre and an increase in branded bulk wine packaging offshore, particularly in the UK and US.
- Australia is still the fourth largest exporter of wine in the world and the sixth largest producer accounting for about 5% of world production.
- Tightened trading conditions in the domestic retail market as a consequence of retail consolidation (Coles and Woolworths further expand their retail liquor and hotel markets). Producers have had margins squeezed in order to gain shelf space and reduced margins at the retail end have flowed through to affect grape prices at winery intake level. This is a phenomenon that is impacting on wine companies in most developed markets. Its impacts are not confined to the wine industry with other agricultural and horticultural producers also suffering.
- Further to the tightening trading conditions, supermarkets are now launching their own low cost price products without the need of capital infrastructure. This is largely a result of the oversupply and depressed fruit prices as well as the consortiums existing retail and supply chain networks.

- The water supply situation appears to somewhat have abated as a result increased rainfall across the Murray Darling Basin and other major wine growing regions. Water allocations in many irrigation areas are already significantly higher than the whole of the 2009/10 irrigation season and will continue to rise throughout the 2010/11 irrigation season if inflows continue to be positive.
- In addition to the previous issues discussions with many growers have revealed that 2010 grape prices are down by as much as 50% in some regions with the average being in the order of 30%. As a consequence of these price reductions the Wine Grape Growers Australia are warning that there may be a mass exodus from the industry because of a lack of profitability within the sector.

14.3 LOCAL VINEYARD MARKET OVERVIEW

The Barossa Valley and adjoining Eden Valley region are both premium wine regions located approximately one hours drive north east of Adelaide, with Angaston, Lyndoch, Nuriootpa and Tanunda the main towns servicing the area. The Barossa comprises approximately 750 grape growers servicing around 150 wine companies ranging from family estate companies to multinational wine companies with large holdings in the area.

According to information collated by the Phylloxera and Grape Industry Board of SA the 2010 harvest was 10,876 tonnes in Eden Valley GI, approximately 2,000 tonnes larger than the 2009 harvest as shown in the graph below. The past six vintages are depicted in the graph below.



Source : Phylloxera and Grape Industry Board of SA and Colliers International Research

The region's vineyard values have suffered as a result of the challenging times within the industry and lack of grape supply agreements offered by wine companies resulting in dwindling returns for grape growers. Discussions with selling agents active in the region have revealed buyers in the market place have been heavily discounting vineyards with insecure grape supply agreements and income streams. In addition to this, vineyards with limited water at their disposal or require capital expenditure also attracting little market interest. The lifestyle end of the market with vineyards around 1 to 5 hectares in area appears to have been more resilient over the past 18 months compared to larger commercial scale vineyards.

Having said this property that is well established with quality infrastructure are attracting good enquiry levels. On the other hand, properties that require capital expenditure, have high maintenance costs or have poor quality capital improvements have been significantly discounted in the market place as buyers of recent times have become less averse to risk.

14.4 MARKET SALES EVIDENCE

In assessing the market value of the subject property, we have considered sales evidence from the region, which are outlined below.

Allotment 501 Menglers Hill Road, Angaston SA



The property is located on the outskirts of Angaston and has road frontage to Menglers Hill Road. Disposed as an irrigated vineyard with the balance of the unplanted rolling hills comprising gum studded grazing land. The vineyard has been established to five varieties which are divided into 22 blocks. The vineyard is irrigated from an onsite bore and catchment fed dams.

Building improvements on the property include a villa constructed circa 1900's disposed as three bedroom one bathroom, lounge, family, kitchen, and laundry that has been updated in recent times, storage shed, implement shed and stone workshop.

The vineyard presented in good condition at the time of the sale although the layout was not entirely conducive to being run efficiently.

Sale Particulars

Sale Date	Nov 2010	Water Details	Two bores (one operational) and two catchment fed dams. A 20ML bore licence transacted with the property.
Sale Amount	\$925,000		
Vendor	S J Schiller Pty Ltd	Irrigation Method	Drip
Purchaser	Private	Geographic Indication	Eden Valley
Property Area (ha)	47.90	Grape Supply Agreements	Undisclosed
Vineyard Area (ha)	17.53	Vineyard Trellising	Vineyard trellising mainly comprises treated pine end and intermediate posts or steel dropper intermediates to which have been affixed a combination of single and double cordon wires and drip wire.
Grazing and Other Land (ha)	30.37	Vineyard Age	1984-2002

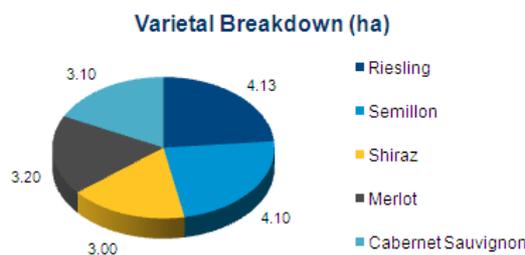
Analysis

Capital Value (\$/ha) \$19,311

Summation Approach:

Rate per Hectare Vines	\$27,000
Rate per Hectare Other Land	\$7,500
Structural Improvements	\$220,000
Price Ratio	3.44

Varietal Composition



Comments

Overall the property appeared to be well maintained and our analysis disclosed rates generally ranging from \$20,000/ha through to \$40,000/ha with variations largely attributable to age, area and variety. The property was originally offered to the market through an auction campaign in mid 2010 and failed to sell on the day.

Allotments 741 & 742 Vinegrove Road, Greenock



The property comprises two contiguous allotments contained in a community title. The community land comprises dam sites and internal roadways that are shared with a residence and small vineyard (circa 3 hectares). The property has frontages to Vine Grove Road, Hughes Road and Paddy Ryan Road and is situated approximately five kilometres north east of the Barossa Valley based township of Greenock.

The vineyard historically has been groomed as a dry-grown operation that has a strong history of producing premium quality fruit well before Colonial Wine Company owned the property. Overall the plantings were maintained to a fairly good standard.

Building improvements on the property include two open sided implements sheds that provide good quality accommodation for storage of grape bins, nets, plant and equipment.

Sale Particulars

Sale Date	July 2010	Water Details	Undisclosed BIL water entitlements and six surface catchment dams.
Sale Amount	\$1,350,000		
Vendor	The Colonial Wine Co. Pty Ltd	Irrigation Method	Drip irrigation
Purchaser	Elderton Vineyards Pty Ltd	Geographic Indication	Barossa Valley
Property Area (ha)	58.36	Grape Supply Agreements	Historically utilised with Colonial Wine Company's stable of wines.
Vineyard Area (ha)	26.18		
Plantable Land (ha)	12.00	Vineyard Trellising	A mixture of sawn timber and treated pine end assemblies with intermediate posts generally consisting of a mixture of treated pine and steel grape stakes. Wires are a combination of single and double cordon with some blocks having foliage wires. All blocks have drip wires.
Other Area (ha)	20.18		
		Vineyard Age	1915-2006

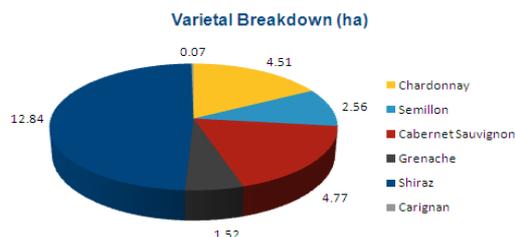
Analysis

Capital Value (\$/ha) \$23,132

Summation Approach:

Rate per Hectare Vines	\$42,000
Rate per Hectare Plantable land	\$10,000
Rate per Hectare Other Land	\$5,000
Structural Improvements	\$35,000
Price Ratio	5.91

Varietal Composition



Comments

Analysis of the sale indicates vineyard rates ranged across varieties from \$20,000 to \$55,000 per hectare, depending on age, grape variety and yields. The property has a good history of producing premium quality fruit. The property was being marketed in conjunction with a winery at Light Pass, wine stocks, brands, plant and equipment. Discussions with the selling agent have revealed the property received good levels of enquiry both as a stand alone vineyard and together with the aforementioned assets.

Scary Gully Vineyard - Deviation Road, Forest Range



Scary Gully Vineyard is contained in two certificates of title and is located approximately 20 kilometres east of Adelaide. The site is moderate to steeply undulating, with the plantings established from 1994 onwards on undulating slopes around 550 metres in altitude. The whole of the vineyard is harvested by hand and historically has produced yields in the range of 7.5 to 10 tonnes per hectare.

Water for irrigation is provided by underground bore and some catchment into the two main dams on the property.

Building improvements on the property consists of two substantial steel framed sheds of good quality and two lower order sheds and internal crushed metal roadways.

Sale Particulars

Sale Date	March 2010	Water Details	Bore and dams
Sale Amount (WIWO)	\$1,200,000	Irrigation Method	Drip
Vendor	Private	Geographic Indication	Adelaide Hills
Purchaser	Private	Grape Supply Agreements	The property sold uncontracted although historically has provided fruit to Deviation Road Wine Co (related entity of the vendor), Petaluma, and most recently Wine Grapes Australia.
Property Area (ha)	32.86		
Vineyard Area (ha)	15.69		
Other Land (ha)	17.17	Vineyard Trellising	Vineyard trellising mainly comprises treated pine anchored end and intermediate posts to which have been affixed a single cordon wire, VSP and low-set drip wire.
		Vineyard Age	1994-2007

Analysis

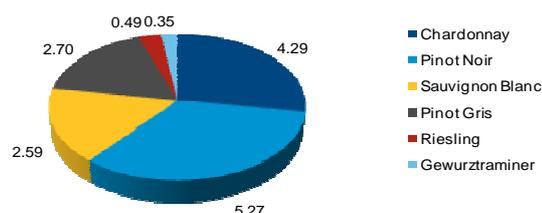
Capital Value (\$/ha) \$34,213

Summation Approach:

Rate per Hectare Vines	\$52,000
Plant and Equipment	\$75,750
Rate per Hectare Other Land	\$15,000
Structural Improvements	\$50,000
Price Ratio	5.16

Varietal Composition

Varietal Breakdown (ha)



Comments

Our analysis disclosed rates generally ranging from \$40,000/ha through to \$60,000/ha with variations largely attributable to age, area and variety. We note the subject property has a good history of producing high quality fruit. Our research has revealed the property's steep terrain has restricted machinery access to parts of the vineyard over the years which have pushed up running costs when compared to industry averages for the region. The property also has several potential house sites and offers flexibility with two Certificates of Title. Discussions with the selling agent have disclosed that approximately \$75,750 worth of plant and equipment was included in the purchase price with the property contracted in late 2009.

Mount Pleasant Keyneton Road, Eden Valley



The property is known as Matthews Road Vineyard and has road frontage to Matthews Road, Basil Roesler's Road and the Mt Pleasant Keyneton Road and is contained in two contiguous allotments. The property is located approximately five kilometres south of Flaxman Valley with the latter carriageway bitumen sealed. Electricity and mains water are connected to a chemical shed on the property, which is the sole building improvement on the property.

One of the Chardonnay blocks includes a frost fan, which broadly speaking is positioned in the south western corner of the property. Topographically, the property can be described as gently undulating with soils sand or sandy loams over a predominantly clay base.

Historically the vineyard has averaged 5-10 tonnes per hectare, with the lower end of the range a result of low volumes of irrigation water available.

Sale Particulars

Sale Date	October 2009	Water Details	Water Licence 2985 (40mL) Murray River Licence. In addition to a water authorisation for 84mL via surface run-off.
Sale Amount	\$825,500		
Vendor	Fosters Wines Estates Pty Ltd	Irrigation Method	Drip irrigated
Purchaser	IVIV Pty Ltd	Geographic Indication	Eden Valley GI
Property Area (ha)	64.85	Grape Supply Agreements	The vineyard is subject to the third and final year of a Grape Supply Agreement with a third party expiring 30 September, 2010. FWE have advised they do not wish to contract the vineyard after the existing agreement expires.
Vineyard Area (ha)	31.06		
Plantable Land (ha)	12.00		
Other Area (ha)	21.79		
		Vineyard Trellising	Vineyard trellising comprises treated pine posts and intermediates, single and cordon wire. A single drip wire is attached to the base.
		Vineyard Age	1994 and 2005 (grafted).

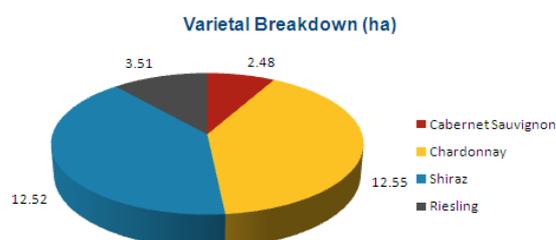
Analysis

Capital Value (\$/ha) \$12,729

Summation Approach:

Rate per Hectare Vines	\$20,500
Rate per Hectare Plantable land	\$8,000
Rate per Hectare Other Land	\$3,500
Structural Improvements	\$5,000
Price Ratio	2.54

Varietal Composition



Comments

Analysis of the sale indicates vineyard prices ranged across varieties from \$16,000 to \$24,000 per hectare depending on age, variety, quality of plantings. The vineyard sold un-contracted, with the purchaser recently acquiring two vineyards, in Vine Vale and Bethany vineyards as well

Basil Roeslers Road, Flaxman Valley



Roeslers Vineyard is located approximately five kilometres south of Flaxman Valley in the heart of Eden Valley, with the property having road frontage to Basil Roeslers Road and a return road frontage to Bartschs Road.

The property offers further vineyard development opportunities, with irrigation water collected via three catchment fed dams (15.8ML, 8.5ML and 3.5ML). Topographically, the property can be described as gently undulating with soils advised as being sandy loams over an assumed clay base.

Historically the vineyard has averaged 4-8 tonnes per hectare, with the lower end of the range a result of low volumes of irrigation water available.

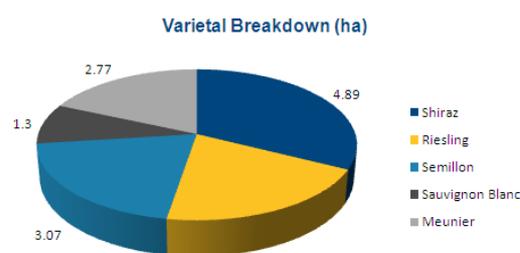
Sale Particulars

Sale Date	October 2009	Water Details	Water authorisation for 27.8ML (1.85ML/planted ha) via surface run-off.
Sale Amount	\$541,000		
Vendor	Tolley Scott and Tolley Ltd	Irrigation Method	Drip irrigated
Purchaser	IVIV Pty Ltd	Geographic Indication	Eden Valley GI
Property Area (ha)	30.86	Grape Supply Agreements	The block of Shiraz is subject to a 5 year GSA only with Fosters. The fruit quality is advised as being 'C' grade with tonnages capped at 49 (10t/ha). The balance of the vineyard is therefore uncontracted.
Vineyard Area (ha)	15.07		
Plantable Land (ha)	5.00		
Other Area (ha)	10.79	Vineyard Trellising	Vineyard trellising comprises treated pine posts and intermediates, single and cordon wire. A single drip wire is attached to the base.
		Vineyard Age	1960 and 1992 (grafted).

Analysis

Capital Value (\$/ha)	\$17,531
Summation Approach:	
Rate per Hectare Vines	\$22,500
Rate per Hectare Plantable land	\$10,000
Rate per Hectare Other Land	\$5,000
Structural Improvements	\$97,500
Price Ratio	3.04

Varietal Composition



Comments

Analysis of the sale indicates vineyard prices ranged across varieties from \$15,000 to \$30,000 per hectare depending on age, variety, quality of plantings.

Allotment 571 Nicolai Road, Bethany



The property is located south east of the township of Tanunda overlooking the Barossa Valley floor. Regular in shape, the allotment slopes down from the rear to the road frontage of Nicolai Road.

Building improvements on the property comprise an updated 1960's built dwelling disposed as four bedrooms, two bathrooms and kitchen/meals living area that presents neat and tidy. Other sundry improvements include a workshop, triple car garage/implement shed and rear verandah/entertaining area.

Surrounding uses to the property include commercial vineyards, lifestyle properties together with other wine industry related uses.

Sale Particulars

Sale Date	August 2009	Water Details	5 ML off-peak SA Water licence and two dams filled with surface water catchments.
Sale Amount	\$1,100,000		
Vendor	Private	Irrigation Method	Drip irrigation
Purchaser	Private	Geographic Indication	Barossa Valley
Property Area (ha)	16.38	Grape Supply Agreements	Undisclosed
Vineyard Area (ha)	12.90	Vineyard Trellising	Low-set trellising, comprising of treated pine ends and treated pine intermediate posts. Affixed with a single cordon wire
Plantable Land (ha)	0		
Other Area (ha)	3.48	Vineyard Age	1990-2000

Analysis

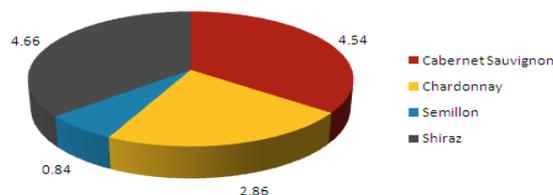
Varietal Composition

Capital Value (\$/ha) \$67,155

Summation Approach:

Rate per Hectare Vines	\$62,000
Rate per Hectare Plantable land	\$0
Rate per Hectare Other Land	\$15,000
Structural Improvements	\$250,000
Price Ratio	5.03

Varietal Breakdown (ha)



Comments

Analysis of the sale indicates vineyard prices ranged across varieties from \$40,000 to \$75,000 per hectare, depending on age, grape variety and yields. The sale is considered to be indicative of rural living property values in the region. We consider the white on the property would be hard to secure a grape supply agreement in the current climate and reflect values towards the lower end of the analysed range, with the reds reflecting values towards the upper end of the analysed range.

Lenswood Vineyard, Croft Road, Lenswood SA



Lenswood Vineyard has dual road frontage to Croft and Joyce Roads and is located approximately 3 kilometres from the centre of the Lenswood township, which is approximately 29 kilometres east of the CBD.

Topographically, the property is moderately to steeply sloping and appears to be well suited to viticulture with an abundance of water available from both surface catchment dams and bores.

The property is largely devoid of structural improvements apart from complimentary shedding improvements situated towards the road boundary. Despite this there are several sites that may be suitable for the development of a house subject to the relevant consents.

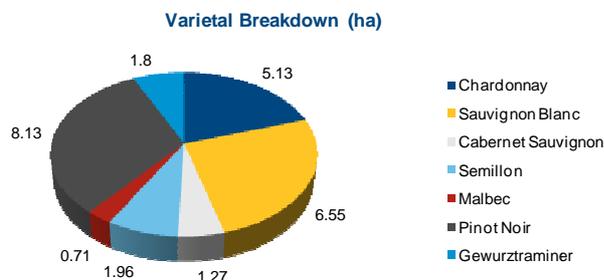
Sale Particulars

Sale Date	August 2009	Water Details	Bores and dam.
Sale Amount	\$1,900,000	Irrigation Method	Drip
Vendor	Private	Geographic Indication	Adelaide Hills
Purchaser	Private	Grape Supply Agreements	Historically, the property has provided fruit to Henschke Wines amongst others.
Property Area (ha)	43.00		
Vineyard Area (ha)	25.50	Vineyard Trellising	Vineyard trellising mainly comprises treated pine end and intermediate posts to which have been affixed a combination of single and double cordon wires and drip wire. Additionally portion of the vineyard has steel intermediate grape stakes spaced between pine posts.
Grazing Land (ha)	13.45		
Scrub Area (ha)	4.00		
		Vineyard Age	1984-2002

Analysis

Capital Value (\$/ha)	\$44,186
Summation Approach:	
Rate per Hectare Vines	\$66,000
Rate per Hectare Plantable land	\$12,500
Rate per Hectare Other Land	\$5,000
Structural Improvements	\$30,000
Price Ratio	5.16

Varietal Composition



Comments

Overall the property appeared to be well maintained and our analysis disclosed rates generally ranging from \$50,000/ha through to \$75,000/ha with variations largely attributable to age, area and variety. We understand historically, fruit from the property has been used in the Knappstein Wines label and more recently Henschke Wines label amongst others. The property was purchased off market by representatives of Henschke Wines, with the company owning other property within the Lenswood area. The sale is considered to be representative of quality vineyards within the Adelaide Hills Region. We note that the property previously transacted in April 2004 for \$1,850,000.

Sales Conclusion

Our research has revealed Fosters Wine Estates have divested three assets in the Eden Valley/Adelaide Hills GI's. As can be seen from our analysis, the vineyards were not fully contracted and some of the properties production capacities were restricted by water and frost issues. The values shown appear to be towards the lower end of what might be expected for vineyards in the region. Apart from the Fosters transactions there has been few market transactions in the region and as such we have had to rely on sales from surrounding locations that offer similar characteristics to the region, including rainfall, topography, and suitable varieties.

After examination of the sales evidence, we have primarily considered the following to be the most comparable and further comment as follows:

- Allotment 501 Menglers Hill Road, Angaston SA – Comparable location, and vineyard size although inferior plantings, with a high number of block numbers. The sale includes a good level of building improvements as well.
- Allotments 741 & 742 Vinegrove Road, Greenock – The most recent piece of market evidence in the Barossa Valley. The property sold in receivership and the sale price achieved shows around a 40% discount on the 2008 acquisition price. The vineyard has produced some very high quality fruit according to our research, but has had some water security issues given irrigation is reliant on catchment fed dams. The sale property is considered to be inferior to the subject property.
- Scary Gully Vineyard - Deviation Road, Forest Range SA – The sale property is a lot smaller than the subject property and offers more lifestyle appeal given its closer proximity to the CBD. Comparable vineyard development, with the property established to a high standard and largely devoid of building improvements.
- Mount Pleasant Keyneton Road, Eden Valley – The property was offered to the market uncontracted. Slightly inferior location with inferior water security. Comparable property area with a smaller area under vines.
- Basil Roeslers Road, Flaxman Valley – Smaller size property with smaller planted area. The property incorporated modest structural improvements and portion of the vineyard was contracted to Fosters for 'C' grade fruit. Slightly inferior location.
- Lenswood Vineyard, Croft Road, Lenswood SA – Superior location and vineyard, with a strong history of supplying quality fruit.

The sales outlined indicate general mature vineyard values ranging from \$20,500 per hectare for semi contracted vineyards with unprofitable varietal mixes through to \$66,000 per hectare for well located properties, with desirable/profitable varietal mixes. We have had regard to such factors as the varietal mix, location, quality of vineyard development, water supply, and end use of material. We have formed the view that the vines on the subject are likely to warrant a value in the range of \$55,000 per hectare for the Cabernet Sauvignon and \$45,000 per hectare for the balance (Petit Verdot and Merlot). Our calculations have resulted in an average across the vines of \$52,123 per hectare which is considered to be reflective of the property's location, age of plantings, water security, varietal mix and end use of material.

15 FINANCIAL DETAILS

15.1 INCOME

The current annualised income is \$312,982 (\$7,484/ha of vines). It should be noted that this figure has been provided by Challenger Wine Trust.

The current passing rental equates to approximately 13.91% of vacant possession value. We are of the opinion the passing rent is above market and therefore have imputed a market rental of \$225,000 (\$5,380/ha of vines). The imputed rental is approximately 10.0% of the vineyard value.

It is our understanding that a long term lessee of viticultural properties throughout most wine grape growing regions last year had negotiations with one of its landlords to reduce rental rates to more favourable terms as current rates have become unaffordable.

Rental affordability is critical to the lessee managing the asset to a high standard. In our opinion tenants in the market place that could viably lease the subject property can only afford to do so by creating wine form the subject property or 'value add'. We consider the market rental (10.0%) would be above market levels for a grape grower given current market conditions. Having said this potential tenants and tenants of similar assets to the subject property are all large wine companies similar to the current lessee who have established brands and markets in place.

The table below outlines a cross section of leases that are currently paid in the horticulture and viticultural industries.

Lessor	Lessee	Passing Rent	Rate/ha of plantable area (estimate only)	Approximate % of value
Orchard Funds Management	MSWL	\$1,993,215	\$3,962	15.95%
Tower Trust	Fosters Group	\$1,092,492	\$4,224	10.92%
Orchard Funds Management	Select Harvest Ltd	\$827,169	\$4,055	10.00%
Orchard Funds Management	Select Harvest Ltd	\$1,605,376	\$3,964	9.00%

The first lease is for a warm climate viticultural property with the lease negotiated in 2004, the second is for a viticultural property in the MIA area that was re-leased to Fosters in 2007 after the previous tenant went into financial administration. The other two leases are for almond properties located within the Euston area and these were negotiated in 2007.

In addition to the aforementioned rents we are aware of large forestry companies paying ground rents of 5.00% to 8.50% of vacant possession land value as a ground rent. We would expect these rental arrangements to be less than rents in horticulture. Reasons for this include:

- The lessee (in forestry) does not have the benefit of an annual income as in horticulture.
- The lessee in viticulture / horticulture is leasing plantings, infrastructure, water licences and buildings which have commercial value in addition to the bare land. It would therefore seem commercially viable to pay additional rent above bare land (ground rent).

16 VALUATION METHODOLOGY

16.1 BASIS OF VALUATION

Vacant Possession Value

The vacant possession value has been included to assist with determining a market rental for the subject property. In determining the vacant possession value of the subject property in this instance we have deemed it appropriate to utilise a combination of the direct comparison and summation method of valuation.

We have drawn our estimates of market value of the vineyards based on the market evidence described in this report, to which we have then added what we consider to be appropriate values for the structural improvements and the balance of the land, to determine an overall market value for the subject property. We regard this method as being consistent with that likely to be engaged by purchasers in the market place. Also please note that the rates per hectare applied to the vineyard component are assessed on a net trellised area (ie. post to post), which is consistent with the way we have assessed the sales considered in *Section 13.4 Market Sales Evidence*.

In determining a vacant possession value we have made the assumption that the fruit produced on the property would be saleable under contract commensurate with the quality and yields produced from the property.

In addition we have made the assumption that there will be enough water available in the growing season to achieve the historical yields. From discussions with the lessee we have been advised that in an average year the vines are irrigated at a rate of between 0.5 and 1.0 megalitres per hectare with the current water agreement allowing in excess of this level.

Below are the summary valuation calculations for the subject property. Detailed calculation schedules are set out within the appendices at the rear of this report.

Corryton Park Vineyard – Wirra Wirra Road, Pewsey Vale

Component	Area	Rate (\$/ha)	Value
Vineyard Plantings	41.82 ha @	\$52,123	\$ 2,179,800
Other land (roadways, headlands, curtilage and timbered areas)	12.08 ha @	\$7,500	\$ 90,600
Total Land	53.90		\$ 2,270,400
Building Improvements			\$ -
		Total	\$ 2,270,400
		MARKET VALUE ROUNDED	\$ 2,250,000

16.2 CAPITALISATION APPROACH

Encumbered Value

The central premise of this approach is that the adopted capitalisation rate is derived from the yields indicated by sales of similar leased agricultural property investments. There has been a distinct lack of comparable sales evidence in horticulture and as such we have relied upon evidence from other property sectors.

In determining an appropriate reversionary or market yield we have had regard to returns from other classes of property investment. We summarise returns from various property asset classes as follows:

CBD Office buildings – Prime	7.50% to 9.50%
CBD Office buildings – Secondary	9.50% to 10.75%
Industrial – Prime	8.00% to 10.00%
Industrial – Secondary	10.00% to 12.00%
Retail – Neighbourhood	7.00% to 10.00%

In relation to comparisons with other forms of agricultural investment there is evidence that supports yields in the order of 4.0% to 9.0% however this is for small parcels of land that are utilised mainly for cereal cropping purposes and not comparable in terms of size, use or affordability to the subject. We are also aware of the Rewards Group (MIS) operators who have sold properties into the ARK Fund (related entity property trust) showing 10-11% yields for horticultural and high valued timber properties. This however is considered to be anecdotal evidence only, as Rewards Group (and associated entities) recently entered Voluntary Administration in May 2010.

The capitalisation of net income approach has been undertaken by applying a yield to both the potential fully let passing net income (initial yield) and the potential reversionary net income (reversionary yield). To the value derived, adjustments have been made for any relevant rental reversions including letting up allowances for vacant space, incentives, leasing fees, capital expenditure and other appropriate capital allowances.

Detailed below are the definitions of yields used in our assessment of the valuation for the subject property:

Passing Initial Yield	The net passing income for the property divided by the sale price or the adopted value.
Equivalent Initial Yield	The net passing income for the property plus the market income across any vacancies, divided by the sale price or the adopted value.
Equivalent Reversionary Yield	The assessed net market income divided by the sum of the sale price or the adopted value plus any capital adjustments to the core value such as letting up allowances, capital expenditure and present value of reversions.

We have adopted a core capitalisation rate of 10.25% after taking into consideration the location of the property, end use of product and size.

A detailed analysis of our approach is as follows.

REVERSIONARY YIELD BASIS (Market Rents)

Vineyard		\$225,000	
Market Income		\$225,000	
Add Recoverable Outgoings		\$0	
Total Gross Market Income		\$225,000	
Less Outgoings	\$0.00 per m²	\$0	
Net Market Income		\$225,000	
Less Vacancy Allowance	0.00%	\$0	
Net Income		\$225,000	
Capitalised at		10.000%	10.250%
Capitalised Value		\$2,250,000	\$2,195,122
Capital Value Adjustments			
<i>PV Rental Shortfall / (Overage)</i>	(\$169,523)	(\$169,110)	(\$168,699)
Total Adjustments	(\$169,523)	(\$169,110)	(\$168,699)
Assessed Capital Value as at 31 December 2010	\$2,419,523	\$2,364,232	\$2,311,556
Rounded Reversionary Capitalisation Value		\$2,350,000	

PV Rental Shortfall (Overage)

A allowance for the rental shortfall until market rentals can be imputed

16.3 DISCOUNTED CASHFLOW APPROACH (DCF)

Encumbered Value

We have also determined the market value of the subject property through the use of DCF analysis. The DCF approach involves the discounting of the net cash flow on a monthly basis over the assumed cash flow period at an appropriate rate to reflect risk to derive a market value. The net cash flow comprises the cash inflows less the cash outflows over the cash flow period, with the addition of the terminal value in the final cash flow period.

A key assumption of the cashflow is that the lessee (Burge Corp Pty Ltd) will exercise their two rights of renewal of 5+5 years. The cashflow shows these terms as one or eight years within the calculations. Grant Burge Wines considers the vineyard is key to the ongoing success of the 'Corryton Park Cabernet Sauvignon' wine which is a premium wine within the Grant Burge stable.

Cash inflows comprise income from the property adjusted to reflect actual rental income, speculative rental income and rental growth, whilst cash outflows comprise outgoings adjusted to reflect anticipated inflation, lease incentives and leasing and marketing fees. The terminal value is determined by the capitalisation of the imputed net market income in the month after the final cash flow period with allowances for any relevant capital adjustments.

The projected income stream reflects the anticipated growth, or otherwise, inherent in a property investment based upon the physical, tenancy or market characteristics related to that property. In addition to projected outgoings and allowances, future capital expenditure is reflected in the cash flow.

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. This information includes the current expectations as to property values and income that may not prove to be accurate.

Having regard to the above factors we have prepared a 10 year cash flow projection for the subject property in which we have assumed that the property is sold at the commencement of the eleventh year of the cash flow. The cash flow has been prepared based upon the following assumptions.

Growth Rates

The growth rates adopted for the cash flow period are as follows:

Year Commencing	Vineyard (Gross Face)	Vineyard (Gross Effective)	Vineyard (Net Face)	Vineyard (Net Effective)	Inflation (CPI)	Statutories	Operational
2011	0.00%	0.00%	0.00%	0.00%	3.26%	4.26%	4.26%
2012	0.00%	0.00%	0.00%	0.00%	2.79%	3.79%	3.79%
2013	2.54%	2.54%	2.54%	2.54%	2.54%	3.54%	3.54%
2014	3.66%	3.66%	3.66%	3.66%	2.66%	3.66%	3.66%
2015	3.80%	3.80%	3.80%	3.80%	2.80%	3.80%	3.80%
2016	3.59%	3.59%	3.59%	3.59%	2.59%	3.59%	3.59%
2017	3.77%	3.77%	3.77%	3.77%	2.27%	3.27%	3.27%
2018	4.07%	4.07%	4.07%	4.07%	2.57%	3.57%	3.57%
2019	4.81%	4.81%	4.81%	4.81%	2.81%	3.81%	3.81%
2020	4.70%	4.70%	4.70%	4.70%	2.70%	3.70%	3.70%
2021	4.70%	4.70%	4.70%	4.70%	2.70%	3.70%	3.70%
Compounded 10 Years	3.08%	3.08%	3.08%	3.08%	2.70%	3.70%	3.70%
1st 5 Years Compounded	1.98%	1.98%	1.98%	1.98%	2.81%	3.81%	3.81%
2nd 5 Years Compounded	4.18%	4.18%	4.18%	4.18%	2.59%	3.59%	3.59%

The inflation expectations are based upon Access Economics Projections.

Terminal Value

An inherent assumption in the DCF is that the property is sold on the open market at the end of Year 10 of the cash flow. In determining the terminal yield we have given consideration to forecast market trends, the perceived marketability of the property at the terminal date and assumptions regarding income and capital expenditure of the property through our cash flow horizon. The terminal capitalisation rate is then applied to the net operating income in the 11th year which we have then discounted back to the date of valuation.

Terminal Capitalisation Rate	10.500%
Relationship of Terminal Yield to Reversionary Yield	+25.00 basis points
Gross Terminal Value	\$2,901,834
Net Terminal Value	\$2,822,033
Terminal Initial Yield	9.54%
Terminal Reversionary Yield	10.50%
Capital Value (\$/ha)	\$53,837 per hectare

Acquisition and Disposal Costs

Acquisition Costs		Disposal Costs	
Legal Fees	0.10%	Legal Fees	0.25%
Due Diligence	0.00%	Agents Fees	1.50%
Stamp Duty	5.50%	Marketing Costs	1.00%
Other	0.00%	Other	0.00%
Total	5.60%	Total	2.75%

In determining an appropriate discount rate we have had regard to internal rates of return from other classes of property investment. We summarise returns from various property asset classes as follows:

CBD Office	8.25% to 10.00%
Industrial	8.50% to 10.50%
Retail	8.00% to 10.00%

This compares with owner occupied agricultural operations, with returns summarised as follows:

Piggeries	10.00% to 14.00%
Broilers	11.00% to 15.00%
Dairies	13.00% to 16.00%
Forestry	9.00% to 13.00%

We consider that the risk associated with the cashflow of a horticultural or viticultural investment property of this nature is more akin to the specialised agricultural assets as listed above acknowledging the lessor bears no agricultural risk. We have therefore adopted a discount rate of 12.00% for the subject property.

Discounted Cash Flow Summary

The discounted cash flow analysis is summarised in the following table.

Year Commencing	Jan-2011	Jan-2012	Jan-2013	Jan-2014	Jan-2015	Jan-2016	Jan-2017	Jan-2018	Jan-2019	Jan-2020
Vineyard	\$316,895	\$321,648	\$242,026	\$228,767	\$232,198	\$235,681	\$239,216	\$263,802	\$271,959	\$276,038
Total Income	\$316,895	\$321,648	\$242,026	\$228,767	\$232,198	\$235,681	\$239,216	\$263,802	\$271,959	\$276,038
Outgoings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income Before Capital Expenditure	\$316,895	\$321,648	\$242,026	\$228,767	\$232,198	\$235,681	\$239,216	\$263,802	\$271,959	\$276,038
Agents Fees	\$0	\$0	\$27,113	\$0	\$0	\$0	\$0	\$32,232	\$0	\$0
Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income After Capital Expenditure	\$316,895	\$321,648	\$214,913	\$228,767	\$232,198	\$235,681	\$239,216	\$231,570	\$271,959	\$276,038
Terminal Value										\$2,901,834
Disposal Costs										(\$79,800)
Net Cash Flow	\$316,895	\$321,648	\$214,913	\$228,767	\$232,198	\$235,681	\$239,216	\$231,570	\$271,959	\$3,098,071
Adopted Value @ 12.000%	\$2,350,000									
Acquisition Costs	\$131,600									
Adopted Value before Acquisition Costs	\$2,481,600									
Running Yield - Before Capex & Adjustments	13.48%	13.69%	10.30%	9.73%	9.88%	10.03%	10.18%	11.23%	11.57%	11.75%
Running Yield - After Capex & Adjustments	13.48%	13.69%	9.15%	9.73%	9.88%	10.03%	10.18%	9.85%	11.57%	11.75%
Running Yield - Before Capex & incl. Adjustments	13.48%	13.69%	9.15%	9.73%	9.88%	10.03%	10.18%	9.85%	11.57%	11.75%
Running Yield - After Capex, Adjustments & incl. Acquisition Costs	12.77%	12.96%	8.66%	9.22%	9.36%	9.50%	9.64%	9.33%	10.96%	11.12%

Discounted Cash Flow Conclusions

DCF Outputs

Discounted Terminal Value	\$907,773
NPV of Cash Flows	\$1,570,935
Sum of Discounted Cash Flows	\$2,478,708
Less Acquisition Costs	(\$131,447)
Net Present Value	\$2,347,262
Rounded DCF Value	\$2,350,000

16.4 VALUATION CONCLUSIONS

Valuation Approach	Valuation Figure
Initial Yield Approach	\$2,350,000
Reversionary Yield Approach	\$2,350,000
Discounted Cash Flow Approach	\$2,350,000
Adopted Value	\$2,350,000

Our adopted value of \$2,500,000 reflects the following:

Passing Initial Yield	13.32%
Equivalent Initial Yield	13.32%
Equivalent Reversionary Yield	10.32%
Internal Rate of Return (including capital expenditure)	11.98%
Internal Rate of Return (excluding capital expenditure)	11.98%
Direct Comparison	\$43,599 per hectare

Projected Running Yields										
Year	1	2	3	4	5	6	7	8	9	10
Before Capex & Adjustments	13.48%	13.69%	10.30%	9.73%	9.88%	10.03%	10.18%	11.23%	11.57%	11.75%
After Capex & Adjustments	13.48%	13.69%	9.15%	9.73%	9.88%	10.03%	10.18%	9.85%	11.57%	11.75%
Before Capex & incl. Adjustments	13.48%	13.69%	9.15%	9.73%	9.88%	10.03%	10.18%	9.85%	11.57%	11.75%
After Capex, Adjustments & incl. Acquisition Costs	12.77%	12.96%	8.66%	9.22%	9.36%	9.50%	9.64%	9.33%	10.96%	11.12%

We consider that the resultant Initial yields, Internal Rate of Return and the Direct Comparison are reflective of the characteristics of the subject property, the current market fundamentals.

17 ADDITIONAL REQUESTS

17.1 REASONABLE SELLING PERIOD

We would envisage a likely selling period of between 6 and 12 months would be applicable for the property under the prevailing market conditions, based upon the current offering, and assuming the implementation of an appropriate marketing campaign guided by professional real estate operatives active and experienced in the sale of property similar to the subject.

We are unable to predict future market conditions and you should not assume this assessment of selling period would remain unchanged should market conditions alter.

17.2 SALES HISTORY

The subject property has not transacted in the past five years according to our searches of government records.

17.3 VALUATION CERTIFICATE

As requested we have supplied a valuation certificate compliant with the Hong Kong Stock Exchange's Regulatory Requirements. This certificate may be included in the Major Transaction Circular to be dispatched to the shareholders of CKLS on or before 31 December 2010.

A copy of the Certificate is attached at **Appendix G**.

18 VALUATION

We assign the following value to the subject property as at **31 December 2010** and subject to the existing leases, comments, terms, conditions and assumptions contained within and annexed to our report, in fee simple and assuming the property is free of encumbrances, restrictions or other impediments of an onerous nature which would affect value:

Market Value on an Unencumbered/Vacant Possession Basis:

\$2,250,000 – GST Exclusive

(TWO MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS)

Market Value on an Encumbered/Leased Basis:

\$2,350,000 – GST Exclusive

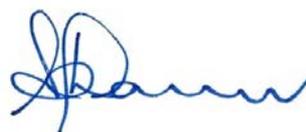
(TWO MILLION THREE HUNDRED AND FIFTY THOUSAND DOLLARS)

Finally, and in accordance with our normal practice, we confirm that this report is confidential to **Regenal Investments Pty Limited for major transaction purposes**. No responsibility is accepted to any third party and neither the whole of the report or any part or reference thereto may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Colliers International Consultancy and Valuation Pty Limited



Nicholas Cranna AAPI
Certified Practising Valuer
B Bus Prop (Valuations)
16 December 2010 (Date of Signing Report)



Alex Thamm, AAPI
Certified Practising Valuer
B Bus (Prop) Val
16 December 2010 (Date of Signing Report)

APPENDIX A

CICV Standard Terms of Business



IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

'Confidential information' means information that:

- (a) Is by its nature confidential;
- (b) Is designated by Us as confidential;
- (c) You know or ought to know is confidential;
- (d) and includes, without limitation:
 - (i) Information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services; and
 - (ii) The Quotation annexed hereto.

'Currency Date' means, in relation to any valuation or consultancy pursuant to these Terms and Conditions and the Quotation, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation or consultancy services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the services.

'We', 'Us', 'Our' means Colliers International Consultancy and Valuation Pty Limited (ABN 88 076 848 112).

'You', 'Your' means the entity engaging Us to perform the Services as set out in the Quotation.

2. PERFORMANCE OF SERVICES

2.1. We will provide the Services in accordance with:

- (a) The Terms and Conditions contained herein; and
- (b) The required provisions of the current Australian Property Institute Professional Practice standard.

3. CONDITION OF THE PROPERTY

- 3.1. In undertaking the Services We will have regard to the apparent state of repair, condition and environmental factors in relation to the property based upon a visual inspection, but We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.2. We will assume that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.3. We will not undertake a detailed inspection of any plant and equipment or obtain advice on its condition or suitability.
- 3.4. We recommend that You engage appropriately qualified persons to undertake investigations excluded from the Services.
- 3.5. No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. ENVIRONMENT AND PLANNING

- 4.1. We will obtain only verbal town planning information. It is Your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2. State or Federal Laws may require environmental audits to be undertaken before there is a change of land use. You will provide such audits to Us where they are required. We will not advise You whether such audits are required or obtain such audits. If You do not provide Us with such audits We will perform the Services on the assumption that such audits are not required.

5. BUILDING AREAS AND LETTABLE AREAS

- 5.1. Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the Property Council of Australia (PCA) Method of Measurement.

5.2. If You do not provide Us with a survey, We will estimate building and/or lettable areas based only upon available secondary information (including but not limited to building plans, Deposited Plans, and our own check measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the Property Council of Australia (PCA) Method of Measurement.

5.3. Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation or consultancy advice back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

6.1. Unless otherwise notified by You, We will assume:

- (a) there are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title; and
- (b) all licences and permits can be renewed and We will not make any enquiries in this regard.

6.2. Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with the Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/dilapidation reports), We will rely upon the apparent expertise of such experts/specialists. We will not verify the accuracy of such information or reports.

7. VALUATION FOR FIRST MORTGAGE SECURITY

7.1. Where the Services are provided for mortgage purposes, You agree that You will not use the valuation or consultancy report where the property is used as security other than by first registered mortgage.

7.2. We reserve the right, at Our absolute discretion, to determine whether or not to assign Our valuation to any third party. Without limiting the extent of Our discretion, We may decline a request for assignment where:

- (a) the proposed assignee is not a major recognised lending institution (such as a major bank);
- (b) the assignment is sought in excess of 3 months after the date of valuation;
- (c) We consider that there has been a change in conditions which may have a material impact on the value of the property;
- (d) the proposed assignee seeks to use the valuation for an inappropriate purpose (including in a manner inconsistent with Your agreement at clause 7.1); or
- (e) Our Fee has not been paid in full.

7.3. Where We decline to provide an assignment on either of the bases at 7.2(b) or (c), We may be prepared to provide an updated valuation on terms to be agreed at that time.

7.4. In the event that You request us to assign Our valuation and We agree to do so, You authorise Us to provide to the assignee a copy of these Terms and Conditions, the Quotation and any other document, including instructions provided by You, relevant to the scope of Our Services.

8. ESTIMATED SELLING PRICE

8.1. Where You instruct Us to provide an Estimated Selling Price, You agree that the Services:

- (a) are limited to the provision of an opinion based upon Our knowledge of the market and informal enquiries.
- (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search on Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
- (c) provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.

8.2. No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

9. CURRENCY OF VALUATION

- 9.1. Due to possible changes in market forces and circumstances in relation to the subject property the Services can only be regarded as relevant as at the Currency Date.
- 9.2. Where You rely upon Our valuation or consultancy report after the Currency Date, You accept the risks associated with market movement between the Currency Date and the date of such reliance.
- 9.3. Without limiting the generality of 9.2, You should not rely upon Our valuation or consultancy report:
 - (a) after the expiry of 3 months from the Currency Date;
 - (b) where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation or consultancy report.

10. MARKET PROJECTIONS

- 10.1. Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only, and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 10.2. Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 10.3. Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.

11. YOUR OBLIGATIONS

- 11.1. You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 11.2. You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 11.3. You authorise and licence us to incorporate Your intellectual property within our report(s).
- 11.4. You will not release any part of Our valuation or consultancy report or its substance to any third party without Our written consent. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms and Conditions be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided that You shall provide any such recipient with a copy of these Terms and Conditions.
- 11.5. If You release any part of the valuation or consultancy advice or its substance with our written consent, You agree: a) to inform the other person of the terms of our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this valuation or consultancy advice.
- 11.6. You must pay our Fees within 14 days of the date of a correctly rendered invoice. Fees that remain unpaid for a period of 30 days or more will attract an administration charge of 2% of the total of the invoice calculated per month or part thereof.
- 11.7. We reserve the right to reconsider or amend the valuation or consultancy advice, or the Fee set out in our Quotation to You if:
 - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in clause 3 materially affect or may alter the value of the property the subject of the Services.

12. CONFIDENTIALITY

- 12.1. You must not disclose or make any of the Confidential Information available to another person without Our written consent.
- 12.2. If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.

13. PRIVACY

- 13.1. We may obtain personal information about You in the course of performing Our Services. We respect Your privacy. The Privacy Amendment (Private Sector) Act, 2001 requires Us to advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.
- 1.1. A copy of Our Privacy Policy can be obtained by contacting Our Chief Privacy Officer.

14. SUBCONTRACTING

- 14.1. We may subcontract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

15. LIABILITY

- 15.1. You agree to release Us and hold Us harmless from all liability to You for or in respect of any loss, damage, costs and expenses of whatsoever kind which we have or may have or, but for the operation of this Clause, might have had arising from or in any way connected with the Services or the use of the Services or any part of them. This release shall be complete and unconditional except in the case of gross negligence or wilful misconduct by Us in the provision of the Services.
- 15.2. You agree that You will fully indemnify Us for and in respect of all loss, liability, costs and expenses of whatsoever kind which We may suffer or incur arising from or in any way connected with any breach by You of Clause 11 or Clause 12. This indemnity shall include but not be limited to loss, liability, costs and expenses which we may suffer or incur in respect of any claims, actions, proceedings, disputes or allegations made against Us or to which we are a party.

16. ENTIRE AGREEMENT

- 16.1. No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 16.2. If there is an inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information, the other specific request or information shall prevail to the extent of the inconsistency.

APPENDIX B

Letter of Instruction



Regenal Investments Pty Limited

(Incorporated in Australia with limited liability)

Registered Office: c/o Thomsons Lawyers, Level 25, 264 George Street, Sydney, NSW 2000

Angus Barrington-Case
Manager – Rural & Agribusiness
Colliers International Consultancy and Valuation Pty Ltd
Level 10, Statewide House
99 Gawler Place
Adelaide SA 5000

(by email: angus.barrington-case@colliers.com)

2nd December 2010

Dear Mr Barrington-Case

VALUATION APPOINTMENT

CK Life Sciences Int'l, (Holdings) Inc. ("CKLS"), a company listed on the Hong Kong Stock Exchange, via its wholly owned subsidiary CK Life Sciences Int'l, Inc., has offered to acquire 72.26% of the outstanding units in Challenger Wine Trust ("CWT") under a Scheme of Arrangements subject to certain conditions. This Scheme will go to CWT unitholder vote on 28 January 2011.

Regenal Investment Pty Limited ("Regenal")(ACN 147 113 531), as nominee of CKLS and proposed unitholder of CWT Units under the Scheme of Arrangements, requests that you undertake an independent valuation of the following properties:

- Cocoparra & Woods Vineyards, Riverina, NSW
- Whitton Vineyard, Riverina, NSW
- Summers Vineyard, Eden Valley, SA
- Corryton Park, Eden Valley, SA
- Pooles Rock Winery, Hunter Valley, NSW
- Hermitage Rd Winery, Hunter Valley, NSW
- Stephendale Vineyard, Riverina, NSW
- Balranald Vineyard, Riverina, NSW
- Chapel Vineyard, Coonawarra, SA
- Schuberts Vineyard, Adelaide Hills, SA
- Waikerie Vineyard, Riverland, SA
- Richmond Grove Vineyard, Padthaway, SA
- Lawsons Vineyard, Padthaway, SA

The valuation report is to be included in the Major Transaction Circular to be despatched to the shareholders of CKLS on or before 31 December 2010, as more fully described in the attached announcement (Appendix A). The Major Transaction Circular is part of the Hong Kong Stock Exchange's regulatory requirements, and its contents and formats are prescribed by the Listing Rules of the Hong Kong Stock Exchange.

The Scope of the valuation report should comply with the Hong Kong Stock Exchange Checklist (Appendix B) and Chapter 5 of the Main Board Listing Rules of the Hong Kong Stock Exchange (Appendix C). A sample of a valuation report for another transaction is enclosed herewith for your reference (Appendix D).

Access to information and the properties can be arranged through Ms Melissa Watson of Challenger Wine Trust.

The total valuation fees per your quotes dated 30 November and 1 December 2010 will not exceed the specified amounts below:

- Cocoparra & Woods Vineyards, Riverina, NSW
- Whitton Vineyard, Riverina, NSW
- Summers Vineyard, Eden Valley, SA
- Corryton Park, Eden Valley, SA
- Pooles Rock Winery, Hunter Valley, NSW
- Hermitage Rd Winery, Hunter Valley, NSW
- Stephendale Vineyard, Riverina, NSW
- Balranald Vineyard, Riverina, NSW
- Chapel Vineyard, Coonawarra, SA
- Schuberts Vineyard, Adelaide Hills, SA
- Waikerie Vineyard, Riverland, SA
- Richmond Grove Vineyard, Padthaway, SA
- Lawsons Vineyard, Padthaway, SA

Draft reports are to be provided by **Wednesday 15 December 2010**, and final reports are to be provided by **Friday 17 December 2010**.

Your acceptance of these instructions infers that you (1) are independent of CKLS; and (2) have appropriate professional qualifications and experience of valuing properties in Australia and are authorised to do so by the rules of the relevant professional institution of which you are a member.

Please do not hesitate to contact the undersigned should any aspect require clarification.

Yours sincerely,
For and on behalf of
Regenal Investments Pty Limited



Director

Accepted By:
For and on behalf of
Colliers International Consultancy and
Valuation Pty Ltd



Authorized Signatory

APPENDIX C

Certificate of Title





Title Register Search

LANDS TITLES OFFICE, ADELAIDE

For a Certificate of Title issued pursuant to the Real Property Act 1886

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5504 FOLIO 842 *

COST : \$18.70 (GST exempt)	PARENT TITLE : CT 5107/797 & OTHERS
REGION : EMAIL	AUTHORITY : RTC 8426952
AGENT : COLL BOX NO : 193	DATE OF ISSUE : 19/02/1998
SEARCHED ON : 07/12/2010 AT : 12:31:24	EDITION : 7
CLIENT REF NC/VALS-VADEL3641	

REGISTERED PROPRIETOR IN FEE SIMPLE

 AUSTRALIAN EXECUTOR TRUSTEES (SA) LTD. OF C/- LEVEL 1/212 PIRIE STREET
 ADELAIDE SA 5000

DESCRIPTION OF LAND

 ALLOTMENT 71 DEPOSITED PLAN 48160
 IN THE AREA NAMED PEWSEY VALE
 HUNDREDS OF BAROSSA AND PARA WIRRA

EASEMENTS

 TOGETHER WITH THE EASEMENT OVER THE LAND MARKED A (RTC 8426952)

SCHEDULE OF ENDORSEMENTS

 8443482 LEASE TO BURGE CORP PTY. LTD. COMMENCING ON 19.2.1998 AND
 EXPIRING ON 18.2.2008
 8443489 CAVEAT BY BURGE CORP PTY. LTD.
 8515928 MORTGAGE TO NATIONAL AUSTRALIA BANK LTD.
 8587163 MORTGAGE TO NATIONAL AUSTRALIA BANK LTD.
 8796869 MORTGAGE TO NATIONAL AUSTRALIA BANK LTD.
 9230908 EXTENSION OF LEASE 8443482 EXPIRING ON 19.2.2008
 10942373 EXTENSION OF LEASE 8443482 EXPIRING ON 19.2.2013 (LESSEES COPY
 LOST)

NOTATIONS

 DOCUMENTS AFFECTING THIS TITLE

 NIL

CONT.



Title Register Search

LANDS TITLES OFFICE, ADELAIDE

For a Certificate of Title issued pursuant to the Real Property Act 1886

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5504 FOLIO 842 *

REGION : EMAIL	PARENT TITLE : CT 5107/797 & OTHERS
AGENT : COLL BOX NO : 193	AUTHORITY : RTC 8426952
SEARCHED ON : 07/12/2010 AT : 12:31:24	DATE OF ISSUE : 19/02/1998
	EDITION : 7

REGISTRAR-GENERAL'S NOTES

APPROVED FILED PLAN NO UNIQUE IDENTIFIER FX40942

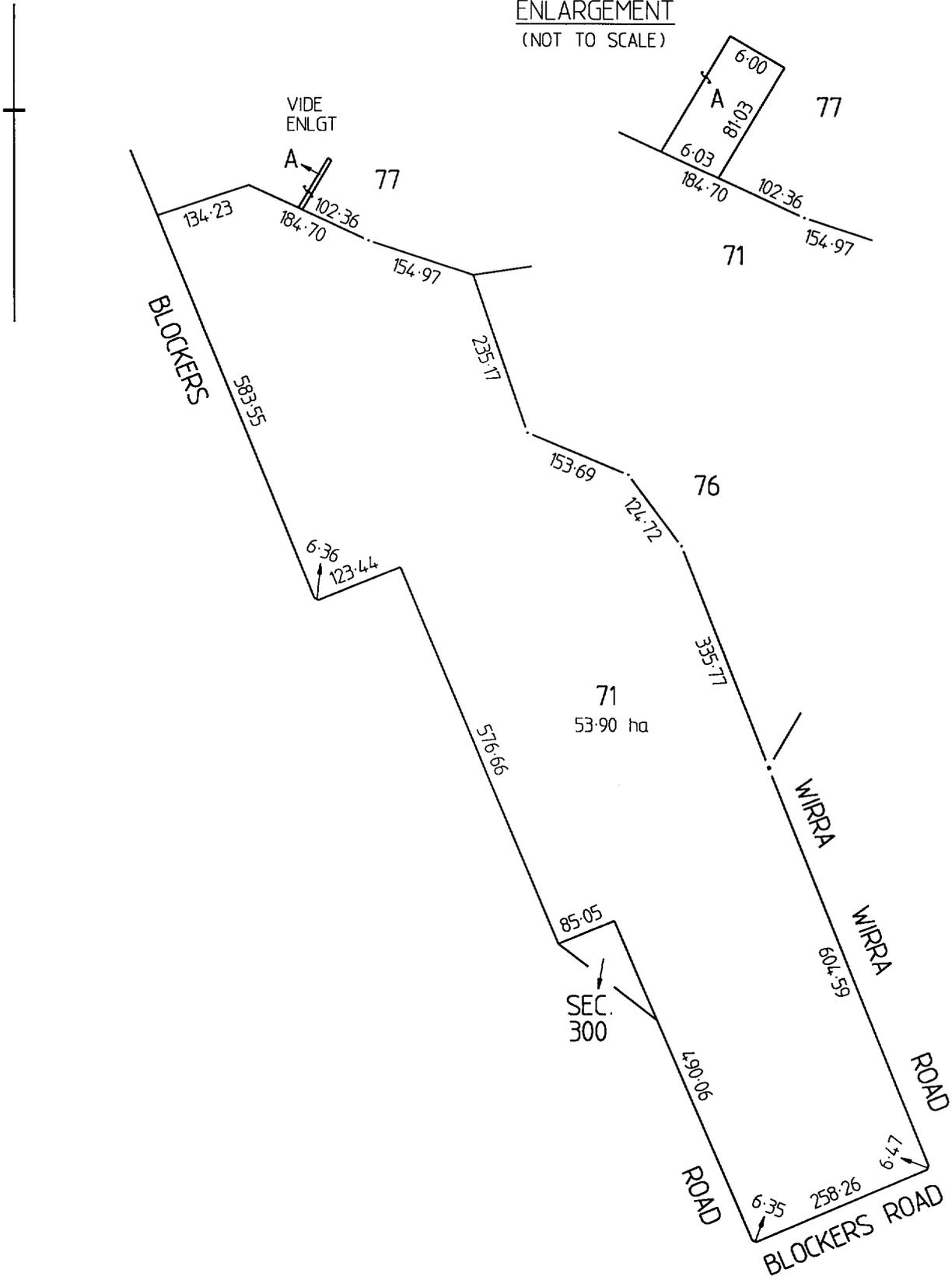
END OF TEXT.

LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA

DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5504 FOLIO 842

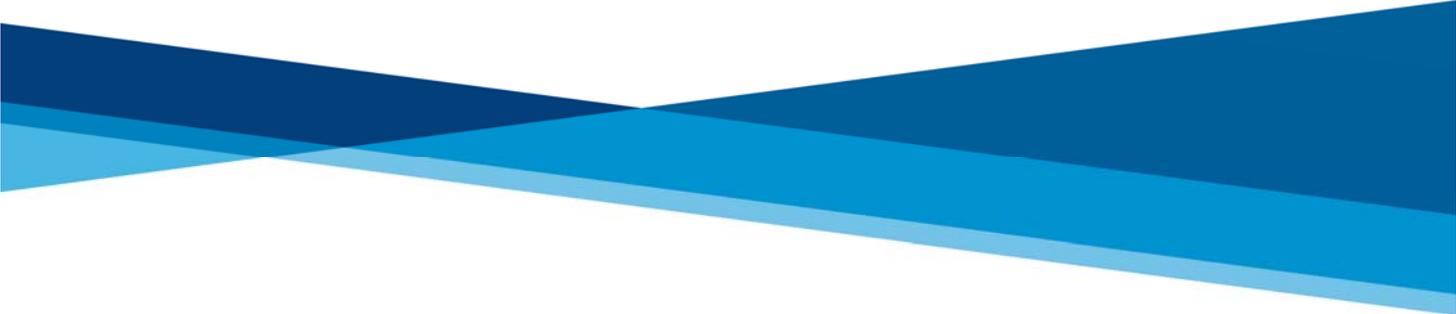
SEARCH DATE : 07/12/2010 TIME: 12:31:24

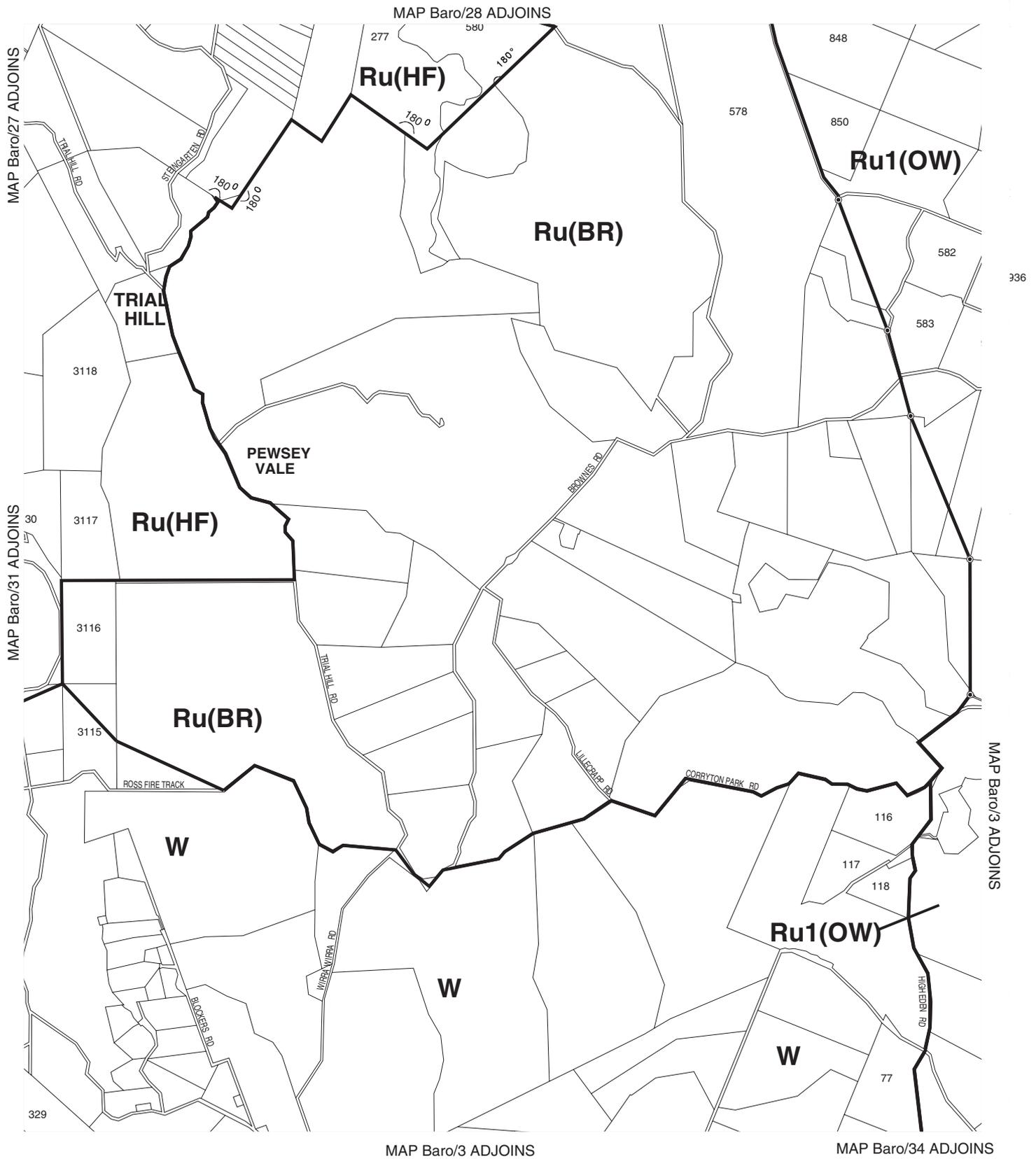
ENLARGEMENT
(NOT TO SCALE)



0 60 120 180 240 300 Metres

APPENDIX D
Town Planning Extract





Ru(BR) Rural (Barossa Ranges)
Ru(HF) Rural (Hills Face)
Ru1(OW) Rural 1 (Outside Watershed)
W Watershed

————— Zone Boundary
 - - - - - Development Plan Boundary

Scale 1:40000



THE BAROSSA COUNCIL ZONES

MAP Baro/32

WATERSHED ZONE

Introduction

The Objectives and Principles of Development Control that follow apply to that part of the area of The Barossa Council referred to as the Watershed Zone shown on [Maps Baro/3, 30, 31, 32, 34, 35, 36, 40, 42 and 43](#). They are additional to those expressed for the whole of the Council area.

The Watershed Zone also contains a portion of the Mount Pleasant Historic (Conservation) Policy Area which is shown on [Maps Baro/63 and 68](#). The objectives and principles that apply to the Mount Pleasant Historic (Conservation) Policy Area are additional to those expressed for the whole of the Council area and for the Watershed Zone.

OBJECTIVE

- Objective 1:** Protection of the quality and utility of water resources in the catchments of the South Para, Warren, Barossa, Millbrook and Kangaroo Creek Reservoirs from pollution and contamination.
- Objective 2:** The prevention of development which could lead to a deterioration in the quality of surface or underground waters within the Mount Lofty Ranges Watershed.

The region includes land within the watershed of the Mount Lofty Ranges which contains the catchment areas for existing and proposed reservoirs serving metropolitan Adelaide and adjacent areas. The quality of water within the existing reservoirs is deteriorating at an alarming rate. Special control of development in the watershed is necessary to ensure a continued economic supply of safe drinking water. In particular there should be no additional allotments created since these are likely to give rise to additional development and activities. It is also important that development minimises the risk of pollution within the Watershed.

- Objective 3:** A zone providing for agriculture, forestry and conservation or recreation areas compatible with the zone's important water catchment function.
- Objective 4:** Maintenance of a desired open rural character derived from open or wooded pasture land stands of native vegetation commercial forests and reservoirs, with scattered farm buildings that are unobtrusively located and designed to blend in with the surrounding landscape.
- Objective 5:** Conservation and enhancement of native vegetation.
- Objective 6:** Containment of existing rural living areas.

Agricultural Industries (small-scale), Wineries, Mineral Water Extraction and Processing Plants and Home Based Industries

- Objective 7:** The development of agricultural industries (small-scale), wineries, mineral water extraction and processing plants and home based industries in rural areas.

Wineries and small scale, low impact agricultural and home based industries are encouraged where they expand the economic base of the Mount Lofty Ranges Region. Industries should be based upon the processing of agricultural produce primarily from the Mount Lofty Ranges Region. Home based industries should be based on rural, arts, crafts, tourist, cultural or heritage activities appropriate to the Region. Development should complement the Region's character and enhance tourist or heritage activities and be compatible with local areas.

Larger scale industries and related activities are more suited to designated industrial or commercial zones within townships in the Mount Lofty Ranges or other urban areas.

- Objective 8:** The extension of the economic base of the Mount Lofty Ranges Region in an environmentally sensitive and sustainable manner.

PRINCIPLES OF DEVELOPMENT CONTROL

- 1 Development should not have any deleterious effect on the quality or utility of any surface or ground water.
- 2 Commercial forestry should not occur where it would result in the loss of areas of native vegetation.
- 3 Land division for a detached dwelling, and the erection or dwellings, alterations and additions to and existing dwelling and establishment of bed and breakfast accommodation shall comply with the following criteria:
 - (a) Will not be located in areas subject to inundation by a 100-year return period flood event or sited on land fill which would interfere with the flow of such flood waters.
 - (b) Will be connected to an approved sewerage or common effluent disposal scheme or has an on-site waste water treatment and disposal method which complies with the Standard for the Installation and Operation of Septic Tank Systems in South Australia (including supplements A & B as prepared by the South Australian Health Commission.
 - (c) Will not have any part of a septic tank effluent drainage field or any other waste water disposal area (eg irrigation area) located within 50 metres of a bore, well or watercourse where a watercourse is identified as:
 - (i) A blue line on a current series 1:50 000 SA Government topographic map, or
 - (ii) Any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally, or
 - (d) Will not have waste water disposal area located on any land with slope greater than 20 percent (1-in-5), or depth to bedrock or seasonal or permanent watertable less than 1.2 metres.
 - (e) Will not have a septic tank or any other waste water treatment facility located on land likely to be inundated by a 10-year return period flood event.
 - (f) Will be sited at least 25 metres from any bore, well or watercourse where a watercourse is identified as:
 - (i) A blue line on a current series 1:50 000 SA Government topographic map or
 - (ii) Any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally, or
 - (g) No more than one dwelling will exist on the allotment.
- 4 Activities which produce strong organic, chemical, or other intractable wastes, should not be established in the zone (other than wineries, where the risk to water supply is negligible with appropriate management, design and siting).
- 5 Activities which produce large amounts of wastewater should not be established in the zone unless they can be connected to an approved sewerage or common effluent scheme (other than wineries, where the risk to water supply is negligible with appropriate management, design and siting).
- 6 Land division may be undertaken in the zone where no additional allotment or allotments are created and the purpose of the plan of division is to:
 - (a) provide for a minor re-adjustment of allotment boundaries in order to correct an anomaly in the placement of those boundaries with respect to the location of existing buildings and structures; and

- (b) provide for a minor of allotment boundaries in order to improve the management of the land for the purpose of primary production and or the conservation of its natural features.

7 Intensive animal keeping, including the keeping of birds, should not occur in the zone

Mount Lofty Ranges Watershed Area

8 The division of land should:

- (a) be designed to form an orderly, compact extension of the surrounding urban area;
- (b) incorporate an appropriate stormwater management scheme that:
 - (i) provides sufficient land in drainage reserves and floodways for the construction of appropriate structural controls, such as flow retardation basins, wet retention basins, wetlands and trash rack facilities.
 - (ii) maintains the volume and rate of runoff from the newly developed area at levels as near as possible to those which existed prior to the development; and,
 - (iii) takes into consideration the impacts the development will have on existing watercourses and downstream stormwater control facilities; and,
 - (iv) includes an engineering design which aims to preserve rather than eliminate natural drainage systems.
- (c) enable allotments to be connected to a Septic Tank Effluent Disposal (STED) scheme.

9 Development should not be undertaken if the construction, operation and/or management of such development is likely to result in:

- (a) pollution of watercourses or an adverse affect on the water catchment and storage area;
- (b) increased risk of flooding or impairment of stream water quality through the disposal of stormwater;
- (c) sealing of large areas of ground likely to result in increased runoff without an appropriate stormwater management scheme being provided;
- (d) a septic tank or any other wastewater treatment facilities located on land likely to be inundated by a 10 year return period flood event; or
- (e) a wastewater disposal area located on any land with a slope greater than 20 percent (1 in 5) or depth to bedrock or seasonal or permanent watertable less than 1.2 metres.

10 Buildings should have:

- (a) a year round water supply and a safe and efficient effluent disposal system which will not pollute watercourses or underground water resources or be a risk to health; and
- (b) a safe, clean, tidy and unobtrusive area for the storage and disposal of refuse.

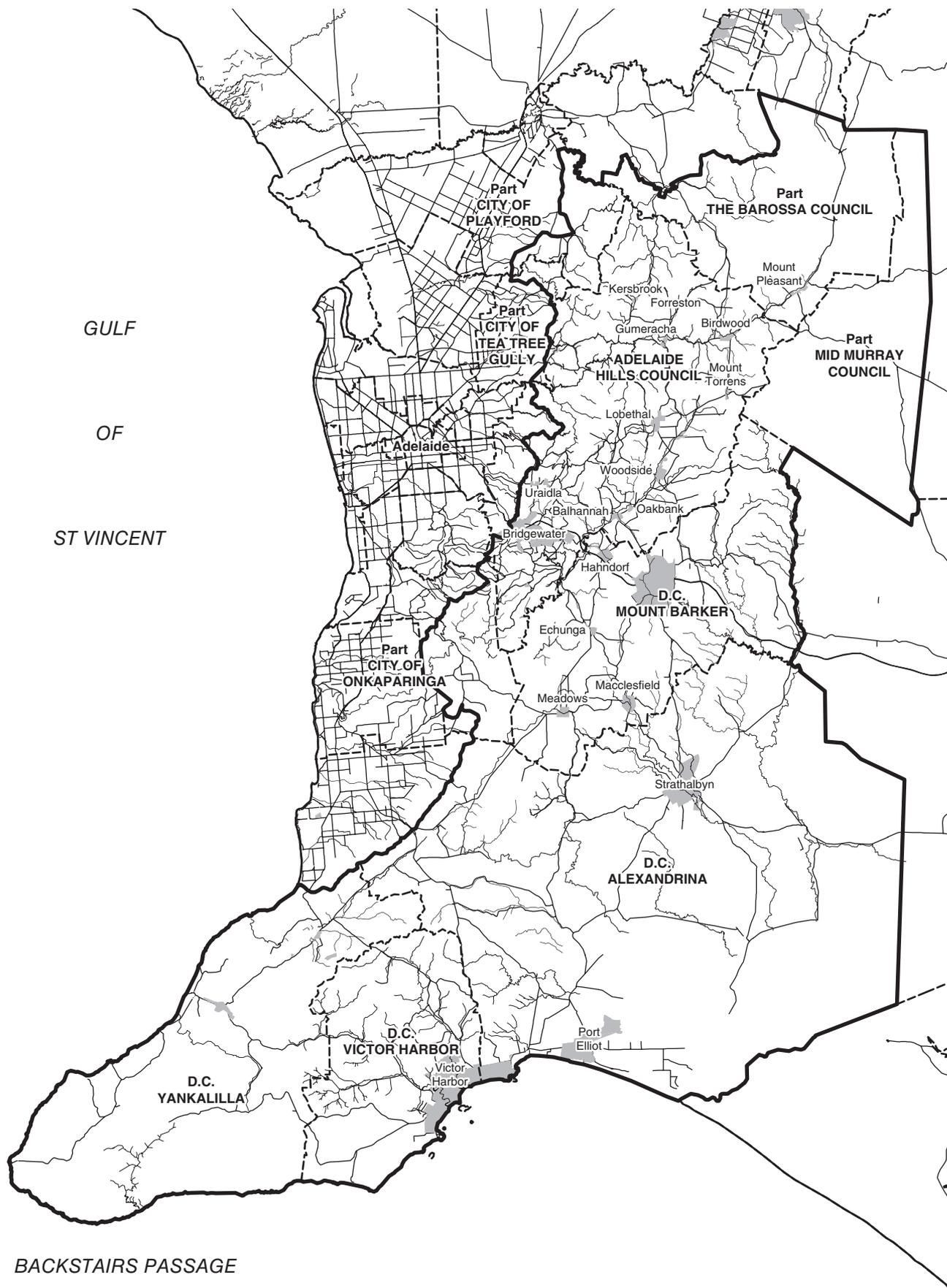
11 Development within the Mount Lofty Ranges should be compatible with its use as a water catchment and storage area for a major urban water supply system.

12 Development should primarily be limited to that which is essential for the maintenance of sustainable grazing, commercial forestry and mixed agricultural activities.

13 Land should not be divided, nor allotment boundaries re-arranged in such a way that development of the resulting allotments in accordance with the objectives and principles of development control would result in a greater risk of pollution of surface or underground waters than would development of the existing allotments.

Cellar Door Sales Outlets, Restaurants and Shops where the tasting of wine and retail sale of wine are the predominant activities and where the sale of wine is limited to that which is uniquely the licensee's own product

- 14** Restaurants, cellar door sales outlets and shops where the tasting of wine and retail sale of wine are the predominant activities and where the sale of wine is limited to that which is uniquely the licensee's own product should not be established on the land in the Barossa Exclusion Area, as shown on [Figures Baro\(EA\)/1 to Baro\(EA\)/5](#).
- 15** Restaurants should:
- (a) be established on the same allotment as, and be visually associated with a winery or shop where the tasting of wine and retail sale of wine are the predominant activities and where the sale of wine is limited to that which is uniquely the licensee's own product;
 - (b) not result in more than 75 seats for customer dining purposes on the allotment; and
 - (c) not result in a gross leasable area of greater than 25 square metres for the display and sale of any non-beverage or non-food items on the allotment.
- 16** Cellar door sales outlets should:
- (a) be established on the same allotment as a winery;
 - (b) primarily sell and offer the tasting of wine that is produced within the Mount Lofty Ranges Region, as shown on Mount Lofty Ranges Region [Figure 1](#);
 - (c) not result in a gross leasable area of greater than 25 square metres for the display and sale of any non-beverage or non-food items on the allotment; and
 - (d) not result in a gross leasable area of greater than 250 square metres for wine tasting and retail sales (and this includes any retail sale of non-beverage or non-food items).
- 17** Shops where the tasting of wine and retail sale of wine are the predominant activities and where the sale of wine is limited to that which is uniquely the licensee's own product should:
- (a) be established on the same allotment as a vineyard, where the vineyard should be at least 0.5 hectares;
 - (b) primarily sell and offer the tasting of wine that is produced within the Mount Lofty Ranges Region, as shown on Mount Lofty Ranges Region [Figure 1](#);
 - (c) not result in a gross leasable area greater than 25 square metres for the display and sale of any non-beverage or non-food items on the allotment; and
 - (d) not result in a gross leasable area greater than 250 square metres for wine tasting and retail sales (and this includes any retail sale of non-beverage or non-food items).
- 18** Restaurants, cellar door sales outlets and shops where the tasting of wine and retail sale of wine are the predominant activities and where the sale of wine is limited to that which is uniquely the licensee's own product should:
- (a) not be sited:
 - (i) within areas subject to inundation by a 100-year period flood event or sited on land fill which would interfere with the flow of such flood waters;
 - (ii) on land with a slope more than 20 percent (1in 5);

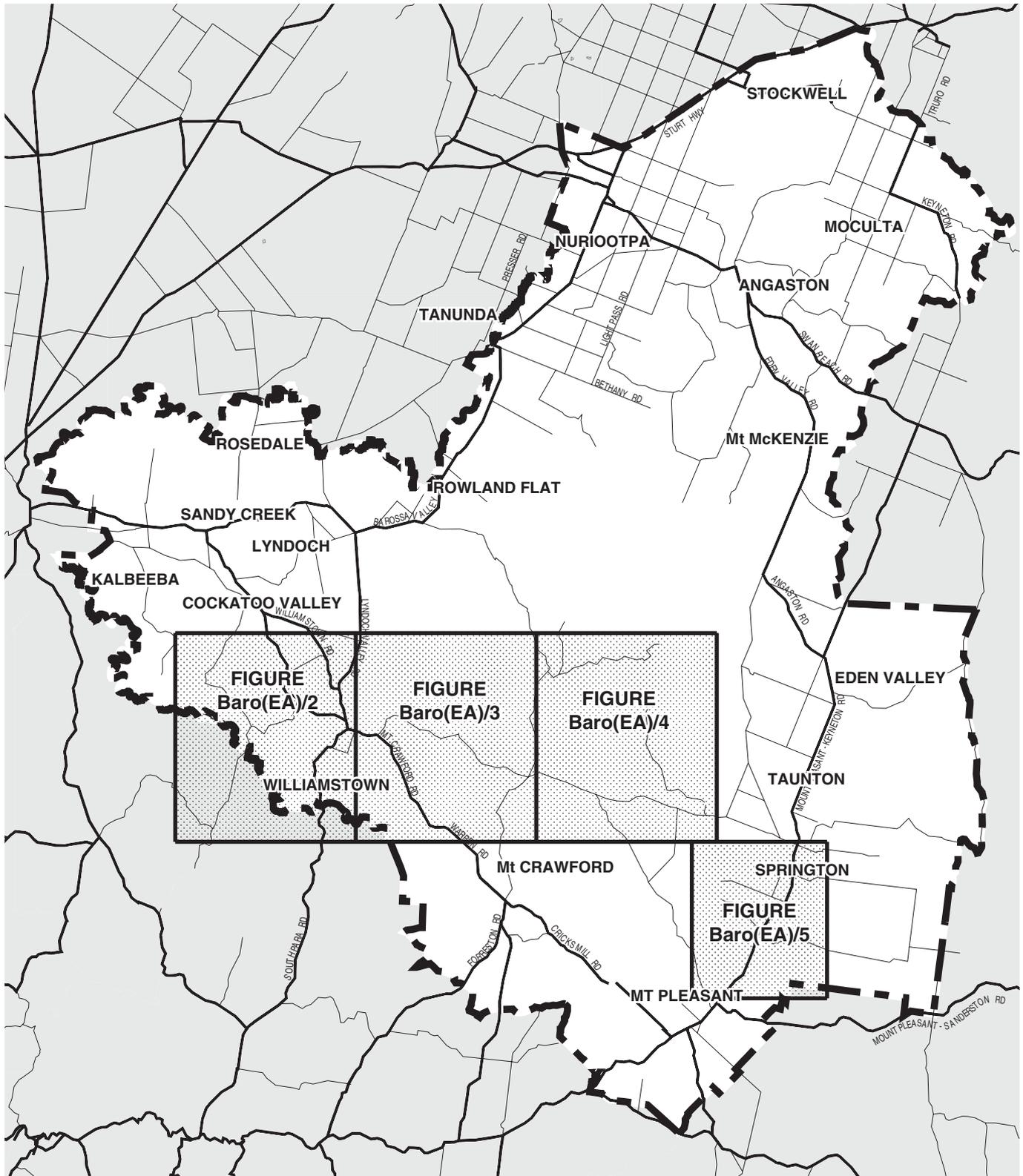


- Mount Lofty Ranges Region
- - - Local Government Area Boundary
- Roads
- ~~~ Creeks



**Mount Lofty Ranges Region
Figure 1**

Consolidated - 14 October 2010



Barossa Exclusion Area - See FIGURE Enlargement

-  Barossa Exclusion Area
Note: Shaded area extends all the way to LGA boundary unless shown other wise.
-  Development Plan Boundary

THE BAROSSA COUNCIL INDEX TO BAROSSA EXCLUSION AREA FIGURE Baro(EA)/1



FIGURE Baro(EA)/1 ADJOINS

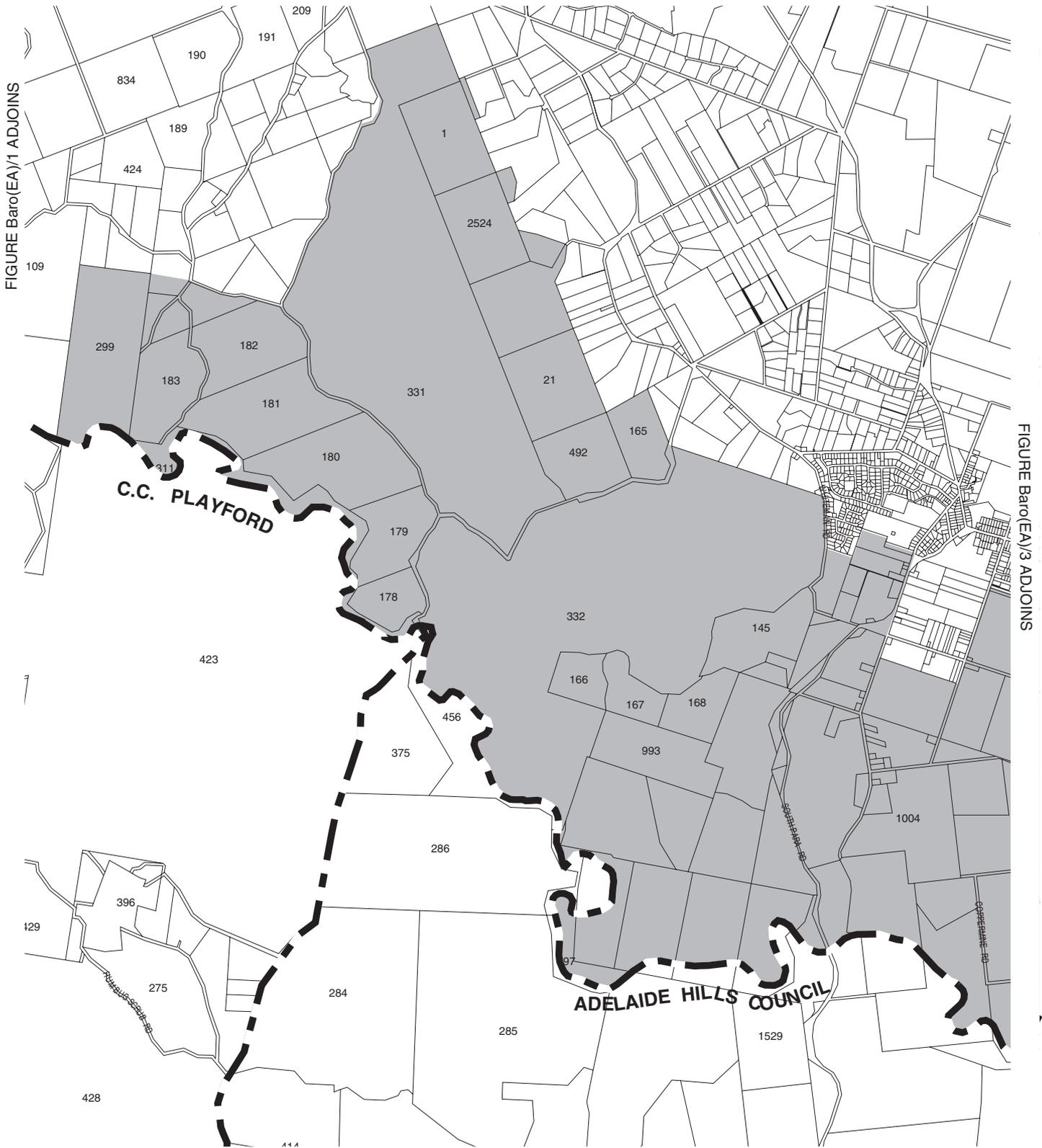


FIGURE Baro(EA)/1 ADJOINS

FIGURE Baro(EA)/3 ADJOINS



Barossa Exclusion Area
Note: Shaded area extends all the way to LGA boundary unless shown other wise.



Development Plan Boundary

Scale 1:40000



THE BAROSSA COUNCIL BAROSSA EXCLUSION AREA FIGURE Baro(EA)/2

FIGURE Baro(EA)/1 ADJOINS

FIGURE Baro(EA)/2 ADJOINS

FIGURE Baro(EA)/4 ADJOINS

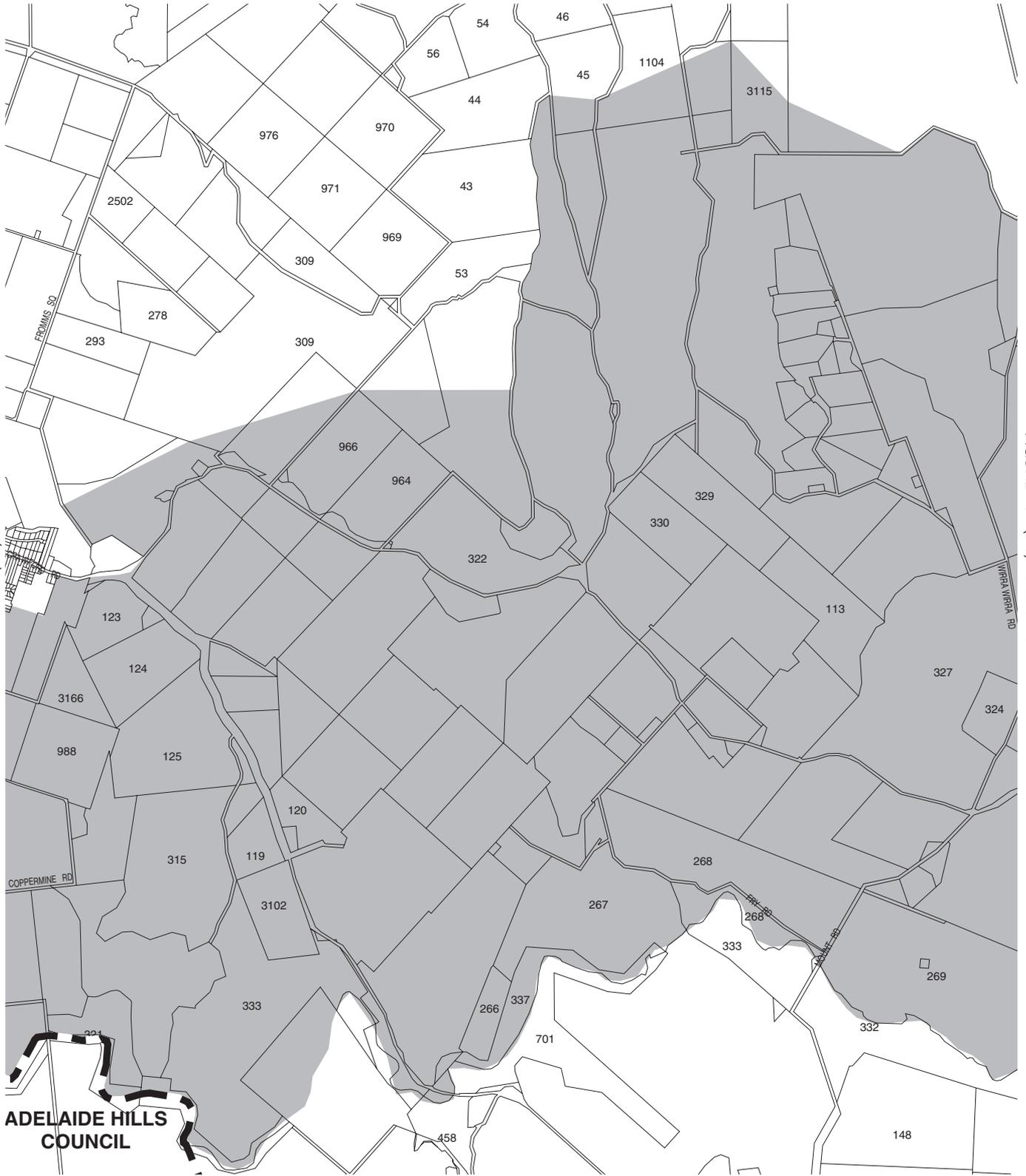
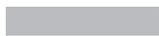


FIGURE Baro(EA)/1 ADJOINS

ADELAIDE HILLS COUNCIL



Barossa Exclusion Area
Note: Shaded area extends all the way to LGA boundary unless shown other wise.



Development Plan Boundary



Scale 1:40000



THE BAROSSA COUNCIL BAROSSA EXCLUSION AREA FIGURE Baro(EA)/3

FIGURE Baro(EA)/4 ADJOINS

FIGURE Baro(EA)/1 ADJOINS

FIGURE Baro(EA)/1 ADJOINS

FIGURE Baro(EA)/1 ADJOINS



FIGURE Baro(EA)/1 ADJOINS



Barossa Exclusion Area
 Note: Shaded area extends all the way to LGA boundary unless shown other wise.



Development Plan Boundary



Scale 1:30000



THE BAROSSA COUNCIL BAROSSA EXCLUSION AREA FIGURE Baro(EA)/5

- (b) be setback a minimum of 25 metres from any bore, well or watercourse, where a watercourse is identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks where water flows at any time and includes all:
 - (i) dams or reservoirs that collect water flowing in a watercourse;
 - (ii) lakes through which water flows;
 - (iii) channels into which water has been diverted; and
 - (iv) any known underground seepage condition;
- (c) be setback a minimum of 50 metres from a road other than where occupying a local or state heritage listed building;
- (d) not result in ribbon development along roads; and
- (e) maintain a clear delineation between urban and rural development.

Wineries and Accessory and Subordinate Activities

- 19** Wineries should not be established on the land in the Barossa Exclusion Area, as shown on [Figures Baro\(EA\)/1 to Baro\(EA\)/5](#).
- 20** Wineries should be located on an allotment with a vineyard or adjacent to an allotment with a vineyard.
- 21** Wineries processing grapes or grape product exceeding the equivalent of a 500 tonne crush per annum should:
 - (a) not store winery waste water in holding tanks;
 - (b) locate winery waste water treatment equipment, effluent dams, buildings containing wine-making activities or buildings containing bottling activities no closer than 300 metres to:
 - (i) tourist accommodation (except where it is sited on the same allotment as the winery);
 - (ii) residential development (except where it is sited on the same allotment as the winery);
 - (iii) a zone that includes any of the following wording in its title:
 - (A) residential;
 - (B) rural living;
 - (C) recreation.
- 22** Winery development should be of a scale that does not result in:
 - (a) detrimental impacts upon rural landscapes, infrastructure and services;
 - (b) the processing of grapes or grape product exceeding the equivalent of a 2500 tonne crush per annum on an allotment.
- 23** Winery development (including any accessory and subordinate uses) should be located within the boundary of a single allotment and there should be no more than one winery on an allotment.

- 24** Winery development should provide that all structures involving wine-making, wine storage, packaging and bottling are housed within enclosed buildings.
- 25** Wineries should be sited as follows:
- (a) a minimum of 300 metres from a:
 - (i) watercourse, where a watercourse is identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks and where water flows at any time;
 - (ii) dam (but not including an effluent dam), bore or well
other than where an associated spill retention basin(s) is constructed, in which circumstances the setback can be reduced to 50 metres
 - (b) not within areas subject to inundation by a 100-year period flood event or sited on land fill which would interfere with the flow of such flood waters;
 - (c) on land with a slope less than 20 percent (1 in 5).
- 26** Wineries incorporating a spill retention basin(s), for the purposes of reducing the setback to a watercourse, dam, bore or well, should site and design the basins(s):
- (a) on the same allotment as the winery;
 - (b) in close proximity to the wine-making, wine storage and waste water treatment facilities;
 - (c) to minimise the risk of spills entering a downhill:
 - (i) watercourse, where a watercourse is identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks and where water flows at any time;
 - (ii) dam (but not including an effluent dam), bore or well;
 - (d) to capture at least 120 percent of the aggregate volume of juice, wine, brine and untreated waste water of the associated winery, which can be contained or produced at any one time during the peak of vintage;
 - (e) to be impervious; and
 - (f) to minimise the interception of any natural or artificial stormwater flow.
- 27** Wineries should incorporate effluent management systems which ensure protection of surface and ground water and reduce the need for on-site storage systems.
- 28** Wineries involving the on-site treatment and disposal of waste water should:
- (a) connect to a system capable of treating the winery waste water to a biological oxygen demand (BOD) of less than 100 mg/litre before it is stored in the open for more than 48 hours;
 - (b) have a suitably sized system that can also accommodate storm water run-off from areas, which could be contaminated with grape or grape products during vintage periods;
 - (c) dispose the treated winery waste water to a suitable irrigation field, which consists of soil and vegetation that has the capacity to store and use the effluent without polluting surface or ground water resources;
 - (d) irrigate using low trajectory low pressure sprinklers, drip irrigators or agricultural pipe; and

- (e) mound the irrigation field in a manner that would direct excess effluent runoff to a spill retention basin(s) and minimise the potential for treated waste water to enter:
 - (i) an adjacent allotment;
 - (ii) public land;
 - (iii) a watercourse, where a watercourse is identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks and where water flows at any time;
 - (iv) a dam (but not including an effluent dam), bore or well.

29 Winery waste water holding tanks should:

- (a) have a total storage capacity of more than four days total flow during the peak of vintage; and
- (b) be contained within an impervious, bunded area having a total liquid holding capacity of more than 120 percent of the total holding tank capacity.

30 Wineries should:

- (a) incorporate all-weather on-site parking (including for commercial vehicles) with safe and convenient access for staff and visitors;
- (b) utilise existing buildings except where a new building would minimise detrimental environmental impacts;
- (c) process primary produce that is grown within the Mount Lofty Ranges Region as shown on [Figure 1](#) Mount Lofty Ranges Region and sell goods manufactured and produced by the industry;
- (d) enhance the rural/agricultural character and/or heritage features and tourist activities of the Mount Lofty Ranges Region; and
- (e) include signage, which is designed and located to complement the features of the surrounding area, enhance visitors' experience of the Mount Lofty Ranges Region and facilitate access to the site and which:
 - (i) does not exceed 2 square metres in area per sign;
 - (ii) is limited to 1 sign per establishment (for agricultural and home based industries); and
 - (iii) is not internally illuminated.

31 Wineries should not:

- (a) necessitate significant upgrading of public infrastructure including roads and other utilities, unless upgrading would be required through normal maintenance or was imminent due to growth in demand in the locality;
- (b) generate traffic beyond the capacity of roads necessary to service the development;
- (c) result in traffic volumes that would be likely to adversely alter the character and amenity of the locality;
- (d) generate significant additional traffic noise or other nuisance which would detract from resident's or other land holder's enjoyment of the locality; and
- (e) generate noise of greater than 40 decibels during the hours of 10 pm to 7am and 47 decibels between 7am to 10pm respectively as measured at the nearest neighbouring dwelling or boundary of a vacant allotment.

Complying Development

32 Those kinds of development listed in [Table Baro/1](#) are **complying** in the Watershed Zone.

Non-complying Development

33 All kinds of development are **non-complying** in the Watershed Zone, except the following:

Advertisements:

- (a) within a 60 km/h or 80 km/h speed restriction within the district council; or
- (b) where the advertisement has an advertisement area of two square metres or less, and providing the message contained thereon relates entirely to a lawful use of land. The advertisement is erected on the same site as that use, and the advertisement will not result in more than two advertisements on the site.

Agricultural industry (not including wineries) where:

- (a) at least one of the following activities associated with the processing of primary produce takes place:
 - (i) washing;
 - (ii) grading;
 - (iii) processing (including bottling);
 - (iv) packing or storage;

and may include an ancillary area for sale of produce (including display areas); and

- (b) the total combined area for any one or any combination of these activities (including ancillary activities) does not exceed 250 square metres per allotment with a maximum building area of no greater than 150 square metres, including a maximum area of 50 square metres for sale and display of goods manufactured in the industry; and
- (c) the industry, including any ancillary uses, is located within the boundary of a single allotment; and
- (d) there is no more than one industry located on an allotment; and
- (e) the industry is not located in areas subject to inundation by a 100 year return period flood event or sited on land fill which would interfere with the flow of such flood waters; and
- (f) the industry is connected to an approved effluent disposal scheme or has an on site waste water treatment and disposal method which complies with the requirements of the South Australian Environment Protection Authority, and
- (g) the industry effluent system and any disposal area are located within the allotment of the development; and
- (h) the industry is not located:
 - (i) within a 900 millimetres or greater rainfall per year area;
 - (ii) on land with a slope greater than 20 percent (1 in 5);
 - (iii) on land that is classified as being poorly drained or very poorly drained;
 - (iv) within 50 metres of any bore, well or watercourse, where a water course is identified as a blue line on a current series 1:50 000 Government standard topographic map, or where there is observed a clearly defined bed and banks and where water flows at any time;

- (v) within 800 metres of the high water level of a public water supply reservoir; and
- (i) the industry does not have a septic tank and sub-surface soakage field or disposal area or any other waste water treatment facility located on land subject to inundation by a 10 year return period flood event.

Alterations or additions to an existing dwelling which are:

- (a) the extension does not exceed 50 percent of the floor area of an existing dwelling; or
- (b) the extension does exceed 50 percent of the floor area of an existing dwelling, and which comply with the following criteria:
 - (i) is not located in areas subject to inundation by a 100-year return period flood event or sited on land fill which would interfere with the flow of such flood waters,
 - (ii) is connected to an approved sewerage or common effluent disposal scheme or has an on-site waste water treatment or disposal method which complies with the Standard for the Installation and Operation of Septic Tank Systems in South Australia (including supplements A and B) as prepared by the South Australian Health Commission,
 - (iii) not have any part of a septic tank effluent drainage field or any other waste water disposal area (eg irrigation area) located within 50 metres of a watercourse where a watercourse is identified as:
 - (1) a blue line on current series 1:50 000 SA Government topographic map, or
 - (2) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally.
 - (iv) not have a waste water disposal area located on any land with a slope greater than 20 percent (1-in-5), or depth to bedrock or seasonal or permanent watertable less than 1.2 metres,
 - (v) not have a septic tank or any other waste water treatment facility located on land likely to be inundated by a 10-year return period flood event,
 - (vi) is sited at least 25 metres from any watercourse where a watercourse is identified as:
 - (A) a blue line on current series 1:50 000 SA Government topographic map, or
 - (B) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally.

Alterations or additions to an existing winery
Aviary

Bed and Breakfast Accommodation:

- (a) within or as an addition to a dwelling existing as at 14 September 1990, and where up to six persons are accommodated; or
- (b) in association with a lawful activity where bed and breakfast accommodation existed as at 14 September 1990, and where up to six persons are accommodated,

and which in either case complies with the following criteria:

- (i) is not located in areas subject to inundation by a 100-year return period flood event or sited on land fill which would interfere with the flow of such flood waters,

- (ii) is connected to an approved sewerage or common effluent disposal scheme or has an on-site waste water treatment and disposal method which complies with the Standard for the Installation and Operation of Septic Tank Systems in South Australia (including supplements A and B) as prepared by the South Australian Health Commission,
- (iii) not have any part of a septic tank effluent drainage field or any other waste water disposal area (eg irrigation area) located within 50 metres of a watercourse where a watercourse is identified as:
 - (A) a blue line on current series 1:50 000 SA Government topographic map, or
 - (B) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally.
- (iv) not have a waste water disposal area located on any land with a slope greater than 20 percent (1-in-5), or depth to bedrock or seasonal or permanent watertable less than 1.2 metres,
- (v) not have a septic tank or any other waste water treatment facility located on land likely to be inundated by a 10-year return period flood event,
- (vi) is sited at least 25 metres from any watercourse where a watercourse is identified as:
 - (A) a blue line on current series 1:50 000 SA Government topographic map, or
 - (B) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally.

Carport

Cellar door sales outlet located outside of the Barossa Exclusion Area, as shown on [Figures Baro\(EA\)/1 to Baro\(EA\)/5](#) and where:

- (a) the tasting of wine and retail sale of wine are the predominant activities;
- (b) it does not result in a gross leasable area of greater than 250 square metres for wine tasting and retail sales on the allotment (and this includes any retail sale of non-beverage or non-food items);
- (c) the method of waste water disposal does not involve the storage of wastewater in holding tanks;
- (d) the development is setback at least 25 metres from a bore, well or watercourse identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks in which water may flow at any time; and
- (e) no part of the development is undertaken in areas subject to inundation by 1 in 100-year average flood or sited on land fill that would interfere with the flow of such flood waters.

Commercial Forestry
Community Centre
Community Facility

Detached dwelling where the detached dwelling is to be erected on an existing allotment and where a habitable dwelling does not already exist on the allotment and where:

- (a) no valid planning authorisation to erect a dwelling on that allotment exists; and
- (b) no other application for planning authorisation is being made or has been made and is not yet determined for a dwelling on that allotment; and

- (c) where the detached dwelling and allotment complies with the following criteria:
- (i) is not located in areas subject to inundation by a 100-year return period flood event or sited on land fill which would interfere with the flow of such flood waters,
 - (ii) is connected to an approved sewerage or common effluent disposal scheme or has an on-site waste water treatment and disposal method which complies with the Standard for the Installation and Operation of Septic Tank Systems in South Australia (including supplements A and B) as prepared by the South Australian Health Commission,
 - (iii) not have any part of a septic tank effluent drainage field or any other waste water disposal area (eg irrigation area) located within 50 metres of a watercourse where a watercourse is identified as:
 - (1) a blue line on current series 1:50 000 SA Government topographic map, or
 - (2) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally.
 - (iv) not have a waste water disposal area located on any land with a slope greater than 20 percent (1-in-5), or depth to bedrock or seasonal or permanent watertable less than 1.2 metres,
 - (v) not have a septic tank or any other waste water treatment facility located on land likely to be inundated by a 10-year return period flood event,
 - (vi) is sited at least 25 metres from any watercourse where a watercourse is identified as:
 - (1) a blue line on current series 1:50 000 SA Government topographic map, or
 - (2) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally

Farming
 Farm Building
 Fire Station
 Horticulture

Land Division where no additional allotments are created, either partly or wholly, and where the development of the proposed allotments does not result in a greater risk of pollution of surface or underground waters than would the development of the existing allotments, and provided a suitable site for a detached dwelling is available which complies with the following criteria:

- (a) is not located in areas subject to inundation by a 100-year return period flood event or sited on land fill which would interfere with the flow of such flood waters;
- (b) is connected to an approved sewerage or common effluent disposal scheme or has an on-site waste water treatment and disposal method which complies with the Standard for the Installation and Operation of Septic Tank Systems in South Australia (including supplements A and B) as prepared by the South Australian Health Commission;
- (c) not have any part of a septic tank effluent drainage field or any other waste water disposal area (eg irrigation area) located within 50 metres of a watercourse where a watercourse is identified as:
 - (i) a blue line on current series 1:50 000 SA Government topographic map, or
 - (ii) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally.

- (d) not have a waste water disposal area located on any land with a slope greater than 20 percent (1-in-5), or depth to bedrock or seasonal or permanent watertable less than 1.2 metres;
- (e) not have a septic tank or any other waste water treatment facility located on land likely to be inundated by a 10-year return period flood event;
- (f) is sited at least 25 metres from any watercourse where a watercourse is identified as:
 - (i) a blue line on current series 1:50 000 SA Government topographic map, or
 - (ii) any river, stream, creek or channel in which water is contained or flows permanently, intermittently or occasionally.

Organic waste processing facility where:

- (a) a leachate barrier is provided between the operational areas and the underlying soil and groundwater of an organic waste processing operation proposed to be located on a site that is wholly or partly within a water protection area; and
- (b) the proposed organic waste processing operation is located on a site with ground slopes no greater than 6 percent; and
- (c) the proposed organic waste processing operation is located a minimum distance of 100 metres from any dam, river, creek, natural watercourse, channel or bore and not within the area of a 1 in 100 year flood event; and
- (d) the proposed organic waste processing operation is located on land with a depth to subsurface seasonal, tidal or permanent groundwater of 2 metres or greater; and
- (e) the land to be used for the organic waste processing operation is at least a distance of 500 metres from the nearest dwelling, shop, office, public institution or other building designed primarily for human occupation; or
- (f) the proposed organic waste processing operation employs an in-vessel or fully enclosed composting system where a lesser distance to the nearest dwelling, shop, office, public institution or other building designed primarily for human occupation may be appropriate.

Outbuildings

Recreation Area

Restaurant located outside of the Barossa Exclusion Area, as shown on [Figures Baro\(EA\)/1 to Baro\(EA\)/5](#), and where:

- (a) it is located on the same allotment as a winery or a shop where the tasting of wine and retail sale of wine are the predominant activities and where the sale of wine is limited to that which is uniquely the licensee's own product;
- (b) the method of waste water disposal does not involve the storage of waste water in holding tanks;
- (c) it does not result in more than 75 seats for customer dining purposes on the allotment;
- (d) the development is setback at least 25 metres from a bore, well or watercourse identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks in which water may flow at any time; and
- (e) no part of the development is under taken in areas subject to inundation by a 1 in 100-year average flood or sited on land fill that would interfere with the flow of such flood waters.

Shop located outside of the Barossa Exclusion Area, as shown on [Figures Baro\(EA\)/1 to Baro\(EA\)/5](#) and where:

- (a) the tasting of wine and retail sale of wine are the predominant activities;
- (b) the sale and tasting of wine is limited to that which is uniquely the licensee's own product;
- (c) it is established on the same allotment as a vineyard, where the vineyard is at least 0.5 hectares;
- (d) it does not result in a gross leasable area of greater than 250 square metres for wine tasting and retail sales on the allotment (and this includes any retail sale of non-beverage or non-food items);
- (e) the method of waste water disposal does not involve the storage of wastewater in holding tanks;
- (f) the development is setback at least 25 metres from a bore, well or watercourse identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks in which water may flow at any time; and
- (g) no part of the development is undertaken in areas subject to inundation by 1 in 100-year average flood or sited on land fill that would interfere with the flow of such flood waters.

Water Storage Tank

Wineries located outside of the Barossa Exclusion Area, as shown on [Figures Baro\(EA\)/1 to Baro\(EA\)/5](#), and where

- (a) it includes at least one of the following activities associated with the making of wine:
 - (i) grape crushing;
 - (ii) juice fermentation;
 - (iii) wine maturation
 and may include one or more of the following as accessory and subordinate activities:
 - (iv) administration;
 - (v) bottling;
 - (vi) packaging;
 - (vii) storage of wine;
 - (viii) waste water treatment, storage and disposal;
- (b) if the processing of grapes or grape products exceeds the equivalent of a 500 tonne crush per annum, the method of waste water disposal does not involve the storage of waste water in holding tanks;
- (c) the development is setback at least 50 metres from a bore, well or watercourse identified as a blue line on a current series 1:50 000 Government standard topographic map or where there is observed a clearly defined bed and banks in which water may flow at any time;
- (d) no part of the development is undertaken in areas subject to inundation by 1 in 100-year average flood or sited on land fill which would interfere with the flow of such flood waters, and
- (e) all structures involving wine-making, wine storage, packaging and bottling are housed within enclosed buildings.

Public Notification Categories

34 Those kinds of development listed in Principle 19 and in [Table Baro/2](#), are assigned as **Category 1 Development** in the Watershed Zone.

35 The following kinds of development are assigned as **Category 2** in the Watershed Zone provided the development is not non-complying:

Cellar Door Sales Outlet

Dwelling where:

- (a) it is to be established adjacent to an allotment that contains a lawfully existing winery processing grapes or grape products exceeding the equivalent of a 500 tonne crush per annum; or
- (b) it is to be established within 300 metres of any winery wastewater treatment equipment, effluent dam, building containing wine-making activities, and buildings containing bottling activities associated with a lawfully existing winery processing grapes or grape products exceeding the equivalent of a 500 tonne crush per annum.

Restaurant

Shop where:

- (a) the tasting of wine and retail sale of wine are the predominant activities;
- (b) the sale and tasting of wine is limited to that which is uniquely the licensee's own product; and
- (c) it is established on the same allotment as a vineyard, where the vineyard is at least 0.5 hectares.

Winery processing grapes or grape product less than the equivalent of a 500 tonne crush per annum

Winery where:

- (a) the processing of grapes or grape product exceeds the equivalent of a 500 tonne crush per annum; and
- (b) winery waste water treatment equipment, effluent dams, buildings containing wine-making activities and buildings containing bottling activities are located at least 300 metres from:
 - (i) tourist accommodation (except where it is sited on the same allotment as the winery);
 - (ii) residential development (except where it is sited on the same allotment as the winery);
 - (iii) a zone that includes any of the following wording in its title:
 - (A) residential;
 - (B) rural living;
 - (C) recreation.

APPENDIX E

Water Licence



Richard Milne

From: David Lim [David.Lim@finlaysons.com.au]
Sent: Thursday, 7 September 2006 10:38
To: Richard Milne
Subject: FW: Corryton Park Water Supply

Richie, see below and attached. I was pretty sure you had raised the issue with me before and we had dug around for the answers. Hopefully this will answer your queries.

Kind regards

David Lim
Partner
Finlaysons
08 8235 7577
0413 728 513

From: DAVID LIM [mailto:DJL@finlaysons.com.au]
Sent: Thursday, 7 April 2005 4:53 PM
To: Richard Milne; Simon Jongebloed
Cc: Kate Bitter; TOM RUSSO
Subject: Corryton Park Water Supply

Dear Simon & Richard,

Further to our conversation the other day, I have dug around quite a bit in the last 24-48 hours regarding this matter.

The short story is that it appears that we have a water supply easement that gives us a right to draw up to 50 megalitres a year for an indefinite period.

The long version is as follows.

I have not been able to find a complete copy of the 3 year water supply agreement between Pewsey Vale and Burge Corp. However, for the reasons below, I do not think this agreement is at all relevant.

The situation as far as I can glean from the documents I've seen is as follows:-

1. Burge Corp contracted to buy the vineyard from Pewsey Vale in 1998.
2. Prior to that Burge Corp entered into the 3 year water supply agreement with Pewsey Vale.
3. Burge Corp sought to assign the Contract and Water Supply Agreement to Challenger.
4. Challenger either did not take the assignment or only took a partial assignment of the Contract or may have entered into a fresh contract directly with Pewsey Vale (this part is not clear). It also appears that the water supply agreement was not assigned to Challenger.
5. In any event Challenger ended up becoming the owner of the vineyard in about 1998. and as part of that transaction received the benefit of the easement for water supply.
6. Because the vineyard was part of a larger parcel or parcels of land they were subdivided at the same time to produce Certificate of Title 5504/842 (this is the vineyard title that is now owned by Tower) and Certificate of Title 5570/698 which appears to be the adjoining land that is now owned by Burge Corp.
7. It appears that the dam exists on the Burge Corp adjoining parcel of land and the water supply easement entitles Tower to enter onto this Burge Corp land and take up to 50 MG of water per annum.

I enclose copies of the following:

*the Water Supply Easement

* CT 5504/842 - Corryton Vineyard - the plan on the 2nd page shows the strip marked "A" as the easement over the adjoining land;

* CT 5570/698 - Burge Corp's adjoining land - you will see that it is subject to an easement over the strip of land marked "A";

* A copy of a rough sketch plan filed on file showing the approximate location of the dam - you will see that the sketch plan matches up with the plan attached to CT 5570/698 and that the easement marked "A" appears to be in the appropriate position to access the dam (in the location drawn on the sketch plan).

All of this indicates that there is an easement for water supply purposes registered over Burge Corp's adjoining land and benefitting Corryton Vineyard, enabling Corryton Vineyard to draw 50 megalitres of water in every 12 month period from the dam on the adjoining Burge Corp property.

Obviously, the above is gleaned from various plans on file and searches. Only a physical inspection will be able to verify whether the dam is in fact located as drawn on the sketch plan and that the easement is in the right place. Also, the easement gives the right to draw "up to" 50 MG - I don't think this is the same as say if Burge Corp agreed to supply 50 Mg - in other words, how much water we can draw may depend on how much water is in the dam etc.

One more thing I need to do is to check whether a water licence is required to draw the water and if it is required, whether there is one in place. It would appear from the file that a water licence was not required back in 1998 when the transaction was first put in place. However, things may have changed. I will check and keep you informed.

Please call me if you have any queries.

Yours sincerely

David Lim
Partner
Finlaysons
Direct line: (08) 8235 7577
Mobile: 0413 728 513
Facsimile: (08) 8232 2944
E-mail: davidlim@finlaysons.com.au
Website: www.finlaysons.com.au

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Finlaysons Lawyers
Adelaide, South Australia
<http://www.finlaysons.com.au>

DATED 17th December 1997

BETWEEN:

PEWSEY VALE PTY. LTD.

(the Supplier)

- and -

BURGE CORP PTY. LTD.

(the Purchaser)

WATER SUPPLY AGREEMENT

KNOX & HARGRAVE

BARRISTERS • SOLICITORS • CONVEYANCERS

LEVEL 21, 25 GRENFELL STREET, ADELAIDE

SOUTH AUSTRALIA 5000

TELEPHONE: (08) 8212 4294

FACSIMILE: (08) 8231 0369

E-MAIL: knoxharg@ozemail.com.au

6.972888 6E86

THIS WATER SUPPLY AGREEMENT is made the 17th day of December 1997

BETWEEN: PEWSEY VALE PTY. LTD. (A.C.N. 007 832 617) of 227 East Terrace, Adelaide, South Australia ("the Supplier")

AND: BURGE CORP PTY. LTD. (A.C.N. 007 892 186) of PO Box 421, Tanunda, South Australia ("the Purchaser")

RECITALS:

- A. The Supplier is registered as the proprietor of certain land in Certificates of Title Volume 4373 Folios 794, 795, 799 and 800 and Volume 5107 Folios 797 and 798 (otherwise referred to as Lot 90) on portion of which is situated a dam known as "Alexander Dam" ("the dam").
- B. The Purchaser proposes to establish a vineyard on certain adjacent land and for that purpose wishes to acquire a supply of water from the dam.

OPERATIVE PART:

1. **Term**

This Agreement will operate for a period of three years from the 28th day of June 1998.

2. **Water Supply**

2.1 Subject to clause 2.2 hereof the Supplier will, in each twelve month period commencing on 28th June 1998, supply to the Purchaser up to fifty megalitres of water from the dam.

2.2 The Supplier does not warrant or guarantee the supply of water from the dam and will not be liable to the Purchaser for any loss or damage arising as a result of diminution in the quantity of water available from the dam from naturally occurring conditions.

Handwritten signatures and initials:
SVP
[Signature]
[Signature]

2.3 The Supplier shall not, in relation to the dam or its catchment area do any act, matter or thing which will prevent or restrict the Purchaser from having available to it, at all times during each twelve month period, water available for its use.

2.4 The Supplier shall at all times be at liberty to draw from the dam all reasonable quantities of water for usual household and domestic purposes and general watering for fire protection around the coach house, workmen's cottage and overseer's cottage, to release water into the creek as normal practice for stock watering and maintaining the ecology of the creek.

3. **Price and Payment**

3.1 The Purchaser shall pay to the Supplier for the whole of such water as is supplied during the term of this Agreement, the total sum of **FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00)**.

3.2 The said sum shall be paid by the Purchaser as follows;

- ♦ **ONE HUNDRED AND THIRTY THREE THOUSAND DOLLARS (\$133,000.00)** on the 28th day of June 1998;
- ♦ **ONE HUNDRED AND THIRTY THREE THOUSAND DOLLARS (\$133,000.00)** on the 28th day of June 1999; and
- ♦ **ONE HUNDRED AND THIRTY FOUR THOUSAND DOLLARS (\$134,000.00)** on the 21st day of June 2000.

Each such payment is a payment in gross and shall not be liable to be refunded in whole or in part.

3.3 If the Purchaser defaults in payment of any instalment of the Purchase Price and such default continues for more than seven days after the due date for

Handwritten signature and initials in the bottom right corner of the page.

payment, then the Supplier may, by notice in writing, terminate this Agreement, and the Purchaser shall pay interest at the rate of 15% per annum on all outstanding monies.

4. **Pipes etc.**

4.1 The Purchaser shall be responsible for the costs of all pipes, pumps, water consumption meter and other works necessary for the supply of water from the dam and shall bear and pay all maintenance and other costs associated therewith.

4.2 The Purchaser warrants that it has made or will make all necessary agreements and arrangements with the registered proprietor of any easement through or over which any such pipes shall be laid.

4.3 The Purchaser shall permit the Supplier to inspect the water consumption meter at all reasonable times on reasonable notice.

5. **Cross Default**

5.1 A breach by the Purchaser of this Agreement shall be a breach of the terms of a certain Agreement for Sale and Purchase relating to the Lot 90 land made between the Supplier (as Vendor) and the Purchaser or its nominee and dated the same day as this Agreement, and the Supplier shall be entitled to extinguish any easement created for the purposes of this Water Supply Agreement.

6. **Condition Precedent**

6.1 This Agreement is subject to and conditional upon settlement having taken place of a certain Agreement for the sale and purchase of the land described as Allotment 71 in DP 48160 in accordance with the terms of a certain

Handwritten signature and initials, possibly 'SVP' and 'MB', with a date '1/13'.

Agreement for Sale and Purchase made between the Supplier (as Vendor) and the Purchaser or its nominee and dated contemporaneously herewith.

EXECUTED as an Agreement.

THE COMMON SEAL of PEWSEY VALE PTY. LTD. was hereunto affixed with the authority of the Directors and in the presence of:



[Signature] Director

Full Name: Alexander John MacLachlan

[Signature] Secretary Director

Full Name: A.J.P. MacLachlan

THE COMMON SEAL of BURGE CORP PTY. LTD. was hereunto affixed with the authority of the Directors and in the presence of:



[Signature] Director

Full Name: HELEN MARGARET BURGE

[Signature] Secretary

Full Name: GRANT WALKER BURGE

[Signature]

8426952



LANDS TITLES REGISTRATION OFFICE SOUTH AUSTRALIA

APPLICATION FOR DEPOSIT OF A PLAN OF DIVISION

FORM APPROVED BY THE REGISTRAR-GENERAL

BELOW THIS LINE FOR AGENT USE ONLY

CERTIFIED CORRECT FOR THE PURPOSES OF THE REAL PROPERTY ACT 1986

Seller / Registered Conveyancer / Applicant

JAMES BOSTON

Table with columns: SERIES NO., PREFIX, RTC, D.P.

48160

BELOW THIS LINE FOR OFFICE USE ONLY

Date: 16 JAN 1998 Time: 11:50. FEES table with columns: R.G.O., POSTAGE, NEW C.T., PLAN EXAMINATION, PLAN DEPOSIT, SURVEY ACT LEVY.

NEW CERTIFICATE(S) OF TITLE TO ISSUE

1 each for allot 71-78 inclusive
1 for allot 80, 81, 82 (Public Road)
ISSUE NO DIAG CPT FOR ALLOTMENTS 74-77 incl

78.00 4 66JAN1998 010078962MISC

89.00 1 66JAN1998 010078964L.T.O.

202.00 1 66JAN1998 010078966L.T.O.

DP 48160

CORRECTION RNSS 11.2.98 APPROVED

PLAN DEPOSITED 16/1/98

REGISTERED 12/2/1998 REGISTRAR-GENERAL

© CORPORATE FORMS PTY (Dec 1996)

Lic No. 1

Lodged by: 266 AGENT CODE

Correction to: GROPE HAMILTON BROWN GRHA

TITLES, CROWN LEASES, DECLARATIONS ETC. LODGED WITH INSTRUMENT (TO BE FILLED IN BY PERSON LODGING)

- 1. ex 5107/198-597
2. ex 4373/198-597
3. ex 5168/198-597
4. ex 5168/198-597
5.

Assessor JB

PLEASE ISSUE NEW CERTIFICATE(S) OF TITLE AS FOLLOWS

- 1. 2 CTS AD. PBL PLAN
2.
3.
4.
5.

PICK-UP NO. 833 0946. DP 48160

DELIVERY INSTRUCTIONS (Agent to complete) PLEASE DELIVER THE FOLLOWING ITEM(S) TO THE UNDERMENTIONED AGENT(S)

Table with columns: ITEM, AGENT CODE. Row 1: NEW CTS 2, COLWA 266

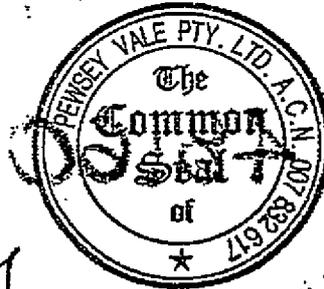
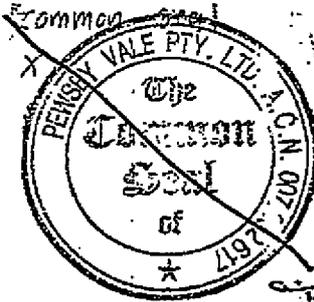
Dated the

9th day of Jan -

1998

EXECUTION BY APPLICANT(S)

THE COMMON SEAL)
of PEWSEY VALE)
PTY LTD was affixed)
with the authority of)
the Board of Directors)
and in the presence)
of:-)



[Signature]
Director

9.1.1998

[Signature]
Director/Secretary

APPLICATION FOR DEPOSIT OF A PLAN OF DIVISION
(Pursuant to Part XIXAB of the Real Property Act 1886)

Development No. 966/0005/96

DP 48160

CERTIFICATE(S) OF TITLE AFFECTED

The whole of the land comprised in Certificates of Title Register Book Volume 5107 Folio's 797 & 798, Volume 5405 Folio's 979, 980, 981, 982 & 983 (inclusive) and Volume 5168 Folio 13.

I/We the undersigned Applicant(s) hereby apply to have the accompanying plan of division deposited in the Lands Titles Registration Office and acknowledge that deposit of the said plan will affect my/our estate and interest in the said land to the extent indicated in the Details of Transactions panel and that certificates of titles will issue in accordance with the schedule of mode of issue.

S.A. STAMP DUTY PAID \$10.00
~~UNPAID DUTY STAMPS~~

APPLICANT (Full Name and Address of all Registered Proprietors of land divided)

ORIGINAL with 0 copies
16/01/98 09:51:49 00336527.1
CONVEYANCE OF ANOTHER KIND

PEWSEY VALE PTY LTD ACN 007 832 617 of 227 East Terrace, Adelaide SA 5000

DETAILS OF TRANSACTION(S) (Applicants only)	CONSIDERATION / VALUE
<p> Nil CREATION OF INTERVA EASEMENT AS SET OUT IN THE ACCOMPANYING PLAN </p>	<p>Nil ?</p>

SCHEDULE OF EASEMENTS CREATED BY DEPOSIT OF THE ACCOMPANYING PLAN OF DIVISION

* ~~Short form:~~ The easement(s) expressed on the plan to which the provisions of Sections 89 and 89a of the Real Property Act 1886 apply.

* Long form: Easement(s) indicated on the plan to be set out in full in this instrument are as follows:

The right for its agents servants and workman at any time to break the surface of, dig open up and use the land being piece marked A in allotment 77 in Deposited Plan No. 48160 for the purpose of laying down fixing taking up repairing re-laying or examining pipes and of using and maintaining these pipes for water supply purposes and to enter the land at any time (if necessary with vehicles and equipment) for any of those purposes and to draw up to 50 megalitres of water in each twelve month period commencing on the 1st March through those pipes.

TO BE HELD

APPURTENANT TO ALLOTMENT 77 IN DP 48160

OK

STATEMENT OF EFFECT ON ESTATES OR INTERESTS OF CONSENTING PARTIES		
ESTATE / INTEREST AFFECTED	EFFECT ON ESTATE OR INTEREST HELD OR CLAIMED	CONSIDERATION / VALUE
N/A		
For further statements and consents see annexure(s).....		

CERTIFICATION under Section 79 (6) of the Stamp Duty Act 1923

The highest amount secured during the currency of the Mortgage was \$ _____ and the Mortgage has been duly stamped.

CERTIFICATE OF CONSENT FOR THE DEPOSIT OF A PLAN OF DIVISION
(Pursuant to Section 223h of the Real Property Act 1886)

I/We the undersigned hereby certify my/our consent to the deposit of the accompanying plan of division in the Lands Titles Registration Office and acknowledge that the deposit of the said plan will affect my/our estate or interest to the extent set out in the above Statement of Effect panel.

Dated the _____ day of _____ 19____

CONSENTING PARTY (Full Name, Address and nature of estate or interest)

* Where a lease is extended to include other land, certificate of Lessor must also be included. If lease is over portion of land and is to extend over portion of land vesting in lessor, reference should be made to parcel defined in GRO Plan deposited for that purpose.

SCHEDULE OF MODE OF ISSUE

ALLOTMENT No. / CT REFERENCE	FULL NAME, ADDRESS AND MODE OF HOLDING	EASEMENTS AND ESTATES OR INTERESTS
71 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide 5000.	Together with an easement for water supply purposes.
72 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide	Nil LAND MARKED A OVER
73 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide 5000.	Nil
74 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide 5000.	Nil
75 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide 5000.	Nil
76 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide 5000.	Nil
77 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide 5000	Subject to an easement for water supply purposes.
78 ✓	Pewsey Vale Pty Ltd ACN 007 832 617 of 277 East Terrace, Adelaide 5000.	Nil LAND MARKED A OVER
80, 81 782 (Public Road)	The Barossa Council PO Box 295 Angaston 5353	Nil

80, 81 782
(Public Road)
12-2-05



Title Register Search

LANDS TITLES OFFICE, ADELAIDE

Issued pursuant to the Real Property Act 1886

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5570 FOLIO 698 *

COST : \$15.10 (GST exempt)	PARENT TITLE : CT 5504/845 & OTHERS
REGION : FAX 82322944	AUTHORITY : RTC 8443560
AGENT : FINL BOX NO : 038	DATE OF ISSUE : 01/09/1998
SEARCHED ON : 06/04/2005 AT : 09:39:56	EDITION : 2
CLIENT REF DJL:40	

REGISTERED PROPRIETOR IN FEE SIMPLE

BURGE CORP PTY. LTD. OF PO BOX 421 TANUNDA SA 5352

DESCRIPTION OF LAND

ALLOTMENT 90 DEPOSITED PLAN 49481
IN THE AREA NAMED PEWSEY VALE
HUNDRED OF BAROSSA

EASEMENTS

SUBJECT TO THE EASEMENT OVER THE LAND MARKED A (RTC 8426952)

TOGETHER WITH A FREE AND UNRESTRICTED RIGHT OF WAY OVER THE LAND MARKED B

SCHEDULE OF ENDORSEMENTS

8916931 MORTGAGE TO ST.GEORGE BANK LTD.

NOTATIONS

DOCUMENTS AFFECTING THIS TITLE

NIL

REGISTRAR-GENERAL'S NOTES

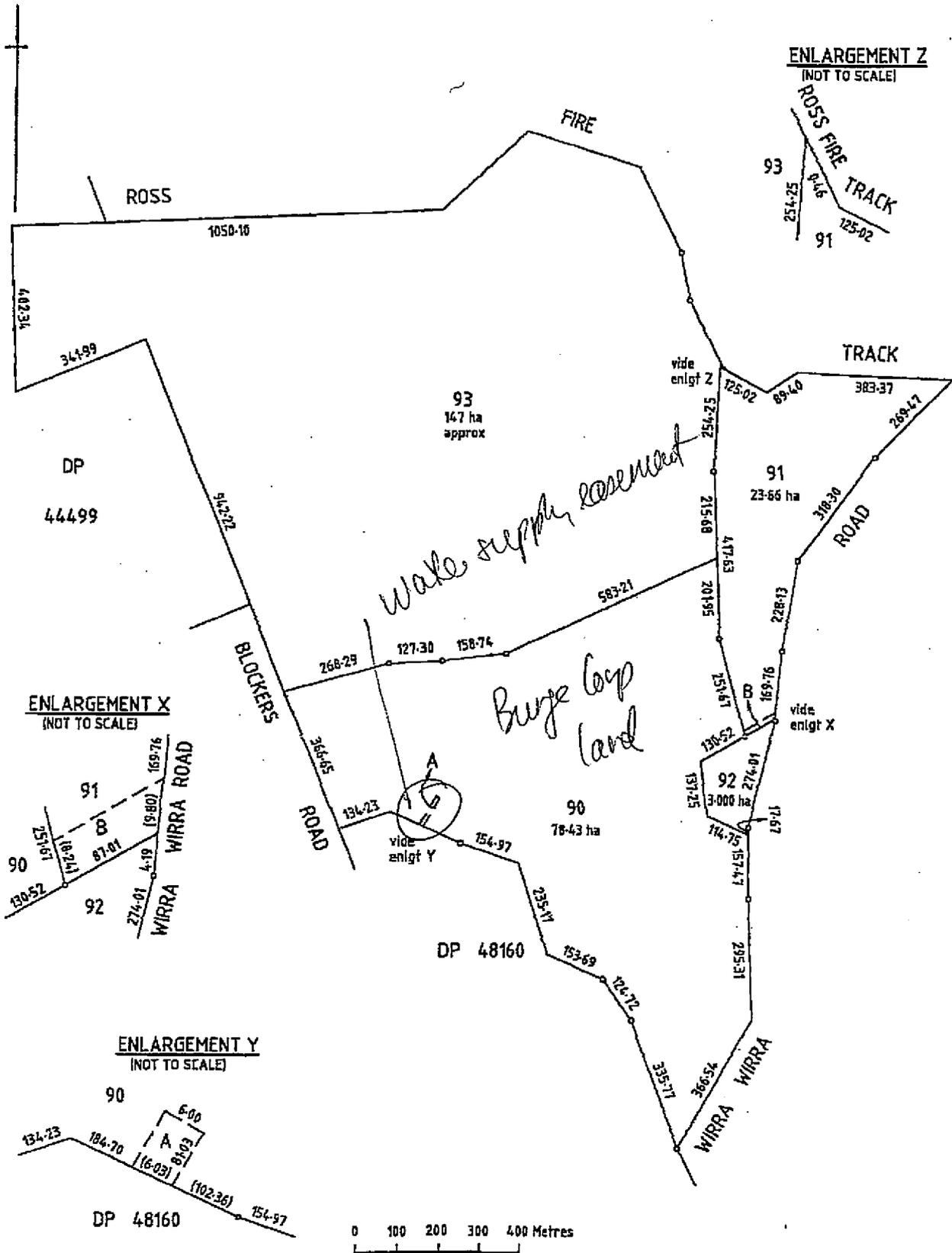
ON S.A. HERITAGE REGISTER VIDE GAZ 24/07/1980

END OF TEXT. 1

LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA

DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5570 FOLIO 698

SEARCH DATE : 06/04/2005 TIME: 09:39:56





Title Register Search

LANDS TITLES OFFICE, ADELAIDE

Issued pursuant to the Real Property Act 1886

LAND TITLES OFFICE ADELAIDE SOUTH AUSTRALIA

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5504 FOLIO. 842 *

COST : \$15.10 (GST exempt)
REGION : EMAIL
AGENT : FINL BOX NO : 038
SEARCHED ON : 05/04/2005 AT : 15:26:50
CLIENT REF DJL:40
PARENT TITLE : CT 5107/797 & OTHERS
AUTHORITY : RTC 8426952
DATE OF ISSUE : 19/02/1998
EDITION : 6

REGISTERED PROPRIETOR IN FEE SIMPLE

TOWER TRUST (SA) LTD. OF 44 PIRIE STREET ADELAIDE SA 5000

DESCRIPTION OF LAND

ALLOTMENT 71 DEPOSITED PLAN 48160
IN THE AREA NAMED PEWSEY VALE
HUNDREDS OF BAROSSA AND PARA WIRRA

EASEMENTS

TOGETHER WITH THE EASEMENT OVER THE LAND MARKED A (RTC 8426952)

SCHEDULE OF ENDORSEMENTS

8443482 LEASE TO BURGE CORP PTY. LTD. COMMENCING ON 19.2.1998 AND EXPIRING ON 18.2.2008
8443489 CAVEAT BY BURGE CORP PTY. LTD.
8515928 MORTGAGE TO NATIONAL AUSTRALIA BANK LTD.
8587163 MORTGAGE TO NATIONAL AUSTRALIA BANK LTD.
8796869 MORTGAGE TO NATIONAL AUSTRALIA BANK LTD.
9230908 EXTENSION OF LEASE 8443482 EXPIRING ON 19.2.2008

NOTATIONS

DOCUMENTS AFFECTING THIS TITLE

NIL

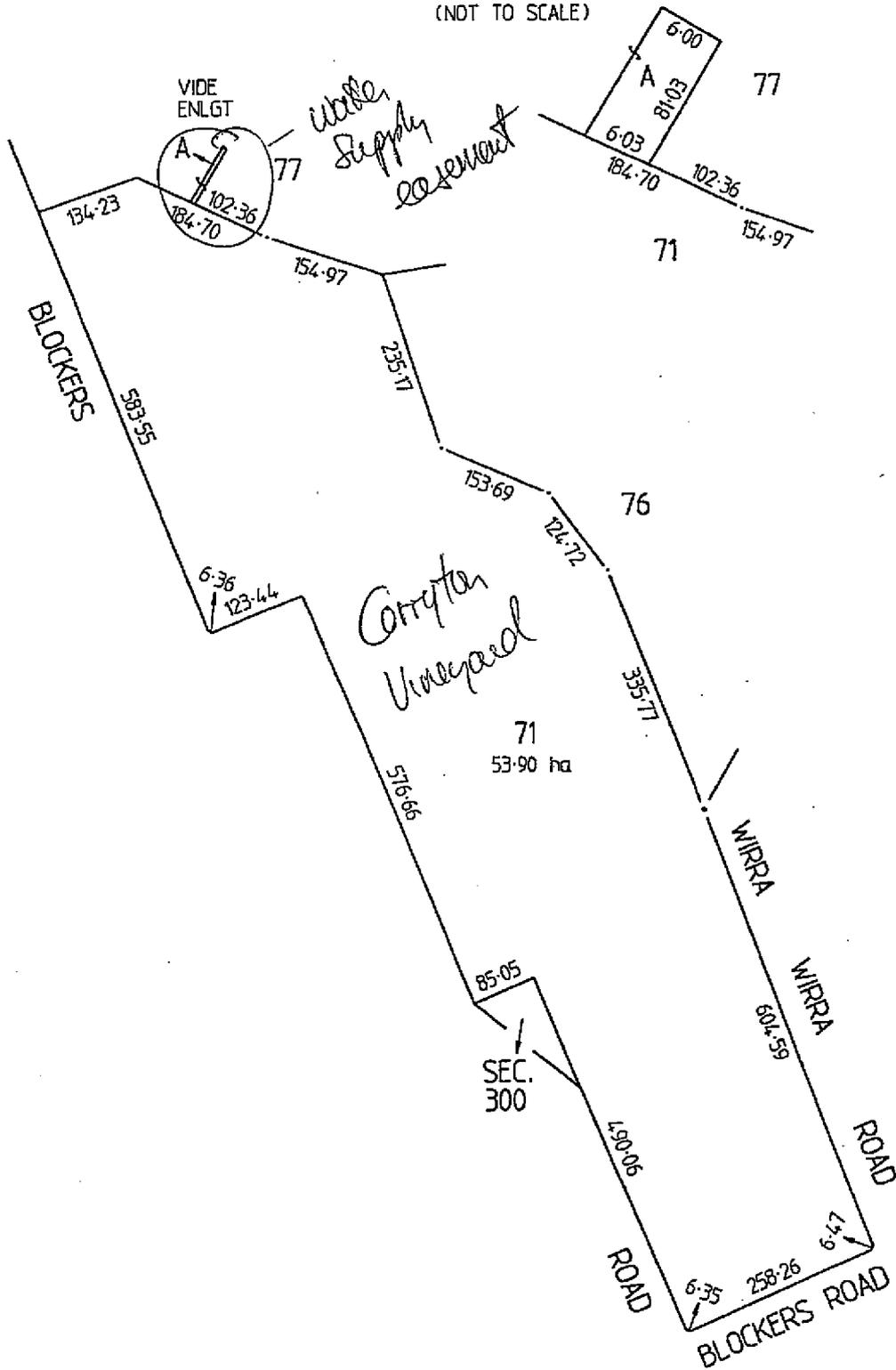
REGISTRAR-GENERAL'S NOTES

APPROVED FILED PLAN NO UNIQUE IDENTIFIER FX40942

END OF TEXT. 8

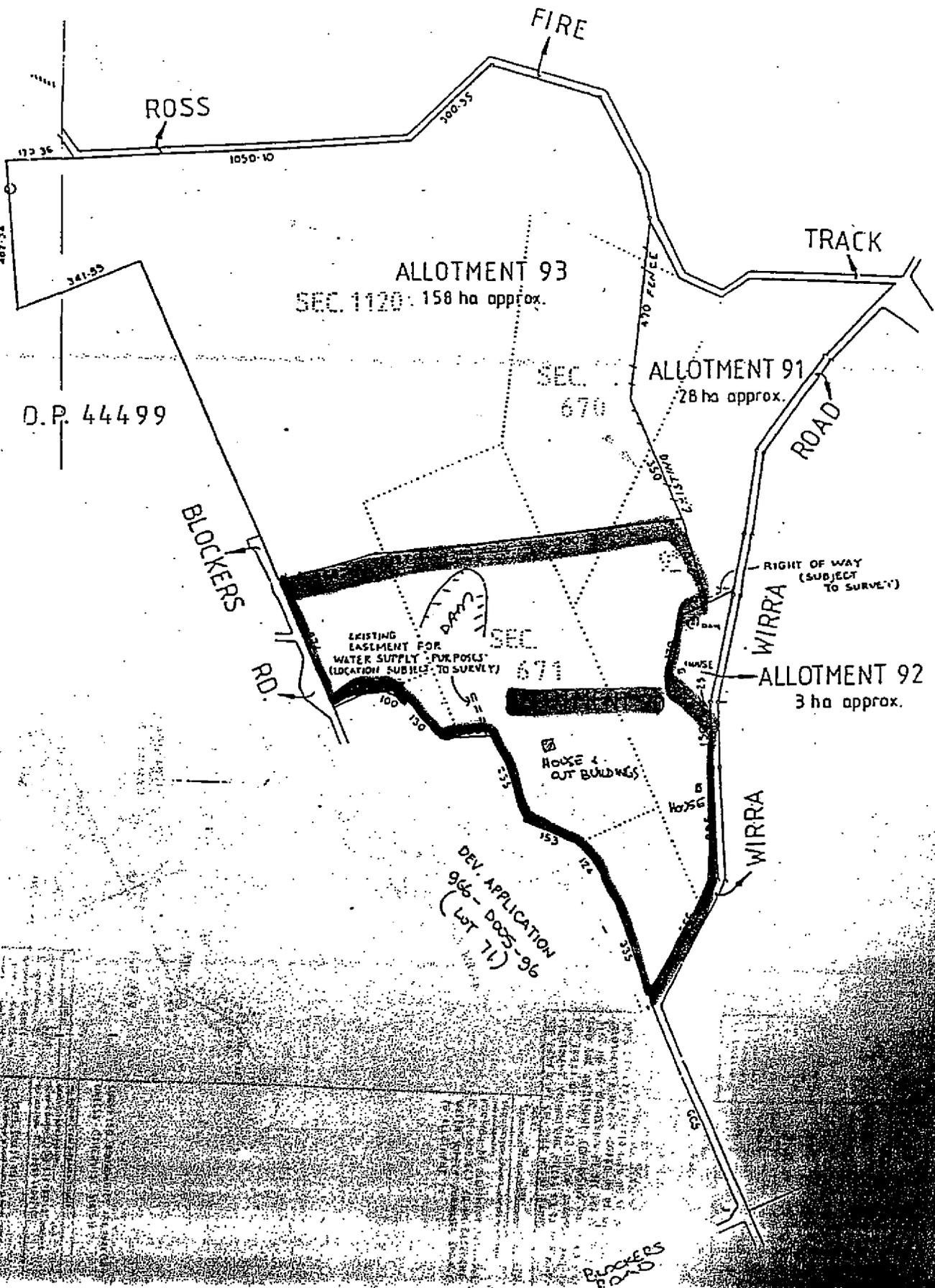
LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA
 DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5504 FOLIO 842
 SEARCH DATE : 05/04/2005 TIME: 15:26:50

ENLARGEMENT
 (NOT TO SCALE)



5

0



BLOCKERS ROAD

APPENDIX F

Valuation Calculations



VALUATION DETAILS

Valuation Date	31 December 2010	Cash Flow Model Date	1 January 2011
Interest Valued	Freehold Interest	Purpose of Valuation	Financial reporting & first mortgage security
Leasehold Expiry Date	0 January 1900		
Remaining Lease Term	.00 years		

CORE VALUATION ASSUMPTIONS

Financial Details

Gross Passing Income (Fully Let)	\$312,982
Outgoings (pa)	-
Net Passing Income (Fully Let)	\$312,982

Passing Income is \$87,982 above current market levels

Total Hectares	53.90 ha
----------------	----------

	Net	Gross
Average Passing Vineyard Rental*	\$5,807/ha	\$5,807/m ²
Average Market Vineyard Rental	\$4,174/ha	\$4,174/m ²

*Passing rental averages are based on the proportion of occupied area.

Global Assumptions

Agents Leasing Fees (Gross)	12.00%
Renewal Leasing Fee (Gross)	6.00%
Vacancy Allowance	0.00%

Vineyard

Lease Term	5 years
Letting Up - Market	0 months
Retention Probability (Letting Up & Leasing Fees)	0.0%
Letting Up - Applied	0 months
Renewal Probability (Incentives)	100.0%
Reviews	Fixed to 1.5% annually

Traditional Valuation Approach

Core Initial Capitalisation Rate	13.250%
Core Reversionary Capitalisation Rate	10.250%
Pending Vacancies Allowances within	12 months
Capital Expenditure Allowances for	12 months
Rental Reversions (PV)	Current tenants at expiry/market review with subsequent leases at 12 months

VALUATION CONCLUSIONS

Traditional Valuation Approach

Initial Yield Approach	\$2,350,000
Reversionary Yield Approach	\$2,350,000

Adopted Gross Market Income	\$225,000
Outgoings (pa)	-
Adopted Net Market Income	\$225,000

Total Vacacny	-
---------------	---

Refurb Allowance - Initial Expiries	\$0/ha
Refurb Allowance - Secondary Expiries	\$0/ha
Acquisition Costs	5.60%
Disposal Costs	2.75%

Other

Lease Term	5 years
Letting Up - Market	0 months
Retention Probability (Letting Up & Leasing Fees)	0.0%
Letting Up - Applied	0 months
Renewal Probability (Incentives)	100.0%
Reviews	Fixed to 1.5% annually

Discounted Cash Flow Approach

Cash Flow Term	10 years	
Terminal Capitalisation Rate	+25.00 bps	10.500%
Terminal Allowances & Reversions within	12 months	
Discount Rate		12.000%
10 Yr Rental Growth	Vineyard (Net Face)	3.08%
(compounded)	Vineyard (Gross Face)	3.08%

ADOPTED VALUE

\$2,350,000 - GST Exclusive
(TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS)

RESULTANT YIELDS AND IRR'S ON ADOPTED VALUE

Direct Comparison	\$43,599 per Ha
Passing Initial Yield	13.32%
Equivalent Initial Yield	13.32%
Equivalent Reversionary Yield	10.32%
Average Lease Duration	2.14 years
Weighted Lease Duration by Area	2.14 years
Weighted Lease Duration by Income	2.14 years
Total Capital Expenditure (Nominal)	\$0
% of Adopted Value (Nominal)	0.00%

Terminal Initial Yield	9.54%
Terminal Reversionary Yield	10.50%
Terminal Capital Value	\$53,837 per Ha
Rate of Increase in Capital Value	2.13%
IRR (Incl. Capex)	11.98%
IRR (Excl. Capex)	11.98%
3 Year IRR (incl. Capex)	8.25%
5 Year IRR (incl. Capex)	10.38%
7 Year IRR (incl. Capex)	11.05%

Corryton Park Vineyard - Wirra Wirra Road, Pewsey Vale



DIRECT COMPARISON - VACANT POSSESSION

Property Details 5504/842
Registered Proprietor: Australian Executor Trustees (SA) Ltd
Legal Description Allotment 71 in DP48160
Water Licences Water Sharing agreement for 50 megalitres per annum

Date of Valuation 31/12/2010

Title Area (ha) 53.90

Variety	Planting Age	Area (ha)	Rate (\$/ha)	\$ total
Cabernet Sauvignon	1999-00	29.79	\$55,000	\$1,638,450
Petit Verdot	2000	2.89	\$45,000	\$130,050
Merlot	1999-01	9.14	\$45,000	\$411,300
		41.82		\$2,179,800
		<i>Average</i>	\$52,123	
Other land (roadways, headlands, curtilage and timbered areas)		12.08	\$7,500	\$90,600
Structural Improvements				\$0
Total Area		53.90	say	\$2,270,400
Market Value (rounded)				\$2,250,000

APPENDIX G
Valuation Certificate





Ref: VADEL3641

16 December 2010

The Directors
Regenal Investments Pty Limited
c/- Thomsons Lawyers
Level 25, 264 George Street
SYDNEY NSW 2000

Dear Sirs

Subject Property: Corryton Park Vineyard, Wirra Wirra Road, Pewsey Vale, SA, Australia

In accordance with the instructions from Regenal Investments Pty Limited ("the Company") to value the property interests of CK Life Sciences Int'L (Holdings) Inc (CKLS), the "Target Company" in Australia, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the market value of such property interests as at 31 December 2010 (referred to as the "date of valuation").

It is our understanding that this valuation is for major transaction purposes.

This valuation extract, which is an extract from our full valuation report, explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of properties and the limiting conditions. It has been prepared specifically for use by the Company and CKLS in meeting the disclosure requirements of CKLS to/with the Hong Kong Stock Exchange. However full particulars in relation to the valuation process are set forth in our full valuation report and this valuation extract should be read in conjunction with that document.

Basis of Valuation

The subject property in our opinion is likely to be regarded as a leased investment. Consequently, in adopting this definition of value we are of the opinion that it is consistent with the definition of Market Value defined by International Valuation Standards Committee (IVSC) and endorsed by the Australian Property Institute (API).

"Market Value" is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."



This valuation extract is provided by Colliers International Consultancy & Valuation Pty Limited (CICV) and not by any other company in the Colliers International Group. This valuation extract has been prepared for **major transaction purposes** and should not be relied upon for any other purpose or by any person other than **Regenal Investments Pty Limited**. CICV accepts no responsibility for any statements in this report other than for the stated purpose. This valuation extract is issued on the basis that no liability attaches to the companies in the Colliers International Group other than CICV in relation to any statements contained in the valuation extract.

Date of Issue

In accordance with your written instructions dated 2 December 2010, our inspection of the subject property as at 7 December 2010 and the requested date of valuation as at 31 December 2010, we confirm that this valuation extract has been provided as at 31 December 2010 (Date of Valuation).

We have assumed that there will be no change to the property or the market between the date of issue and the date of valuation. Should we become aware of any relevant market information that may impact on the value of the property, up to and including 31 December 2010, we at our own discretion reserve the right to review and possibly amend the valuation analysis contained herein.

Qualification and Warning

CICV has been engaged by Regenal Investments Pty Limited to provide a valuation of Corryton Park Vineyard, Wirra Wirra Road, Pewsey Vale, SA, Australia.

Regenal Investments Pty Limited and CKLS wish to include the valuation extract in the Major Transaction Circular of CKLS (the Circular) to the Hong Kong Stock Exchange and have requested CICV to consent to the inclusion of this valuation extract. CICV consents to the inclusion of this valuation extract in the Circular and to being named in the Circular, subject to the condition that Regenal Investment Pty Limited include this Qualification and Warning:-

- i. This valuation extract has been prepared for Regenal Investment Pty Limited only and for the specific purposes outlined within the Instruction section of this report and cannot be relied upon by third parties.
- ii. This valuation extract is a summary of the valuations of the aforementioned properties as at 31 December 2010 and has not been prepared for the purpose of assessing the property as an investment opportunity.
- iii. CICV makes no representation or recommendation to a Recipient in relation to the valuation of the property or the investment opportunity contained in this valuation extract.
- iv. Recipients must seek their own advice in relation to the investment opportunity contained in this valuation extract.

- v. The events of early 2008 including the initial sub-prime fallout in the United States and subsequent Global Financial Crisis (GFC) created uncertain times for both the equities and property markets in Australia which impacted to varying degrees upon a variety of market participants. The initial impact was focussed on the Listed Property Trust sector operating assets within the major commercial, industrial, retail and infrastructure sectors. While a degree of uncertainty still remains within these markets, the magnitude is notably less than that evident throughout 2008 and the majority of 2009. Improving levels of general market activity over recent times appears to have resulted in growing investor confidence, albeit shallower than that experienced prior to the GFC.

The rural property market has typically lagged the experiences of the other major markets and traditionally has not displayed their volatility. However there have been some very substantial collapses within the managed investment scheme sector in particular that have dampened investor confidence. The very rapid tightening of credit availability that resulted from the GFC remains an issue within the Australian rural property market with LVR requirements causing a general pull back in many regional markets.

CICV has prepared this valuation extract on the basis of, and limited to, the financial and other information (including market information and third party information) referred to in this valuation extract and contained in the full valuation report. We have assumed that the third party information is accurate, reliable and complete and confirm that we have not tested the information in that respect.

Liability Disclaimer

In the case of advice provided in this valuation extract and our full valuation report which is of a projected nature, we must emphasise that specific assumptions have been made by us which appear realistic based upon current market perceptions. It follows that any one of our associated assumptions set out in the text of this valuation extract may be proved incorrect during the course of time and no responsibility can be accepted by us in this event.

This valuation extract has been prepared subject to the conditions referred to in our Qualification & Warning.

CICV has prepared this valuation extract which appears in the Circular. CICV were involved only in the preparation of this valuation extract and the valuation referred to herein, and specifically disclaim any liability to any person in the event of any omission from, or false or misleading statement included in the Circular, other than in respect of the valuation and this valuation extract. We confirm that this valuation extract may be published in the Circular.

The valuation is current as at the date of the valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

CICV confirms that it does not have a pecuniary interest that would conflict with its valuation of the property.

Property Description

Address	Corryton Park Vineyard, Wirra Wirra Road, Pewsey Vale, SA
Brief Description	<p>The subject property comprises an irrigated mature vineyard located in the Eden Valley GI, approximately 12 kilometres east of the township of Williamstown.</p> <p>The property is leased to Burge Corp Pty Ltd for 5+5+5 years, with the current term due to expire on the 19th February 2013.</p> <p>The vineyard was largely established in 1999 and 2000 to Cabernet Sauvignon, Merlot and Petit Verdot and has a strong history of supplying quality sought after fruit.</p> <p>The property sources water from an adjoining property owned by the lessee (Burge Corp Pty Ltd) under an agreement that runs for an indefinite period</p>
Zoning	Watershed Zone within the Barossa Council
Lessee	Burge Corp Pty Ltd
Term	5 years
Rent	\$312,982 per annum
Lease Expiry Date	19 February 2013
Rent Review	Fixed annual increases of 1.5% of the former rent
Option	Two rights of renewal of five years each
Property Classification	Investment

Certificate of Title

Title Details		
Search Date	7 December 2010	
Local Government Area	Barossa Council	
Area	Pewsey Vale	
Hundreds	Barossa and Para Wirra	
Legal Description	Volume / Folio	Registered Proprietor
Allotment 71 within Deposited Plan 48160	5504 / 842	Australian Executor Trustees (SA) Ltd

The total area is approximately **53.90 hectares** approximately as shown on the title plan.

Site Contamination

A visual site inspection in consideration of the past land uses has not revealed any obvious pollution or contamination.

The property has been used for viticultural purposes for many years. During these activities, chemicals in the form of fertilisers and sprays would have been applied to the land and fuel and oils stored on the land. These activities could have given rise to low level contamination similar to that found in the district and reflected in the prices paid generally for land in the area.

We are not aware of the fully details with regard to usage of the site prior to the current use, however, we have no cause to believe that the site has been contaminated.

We advise that we are not experts in the detection or quantification of any environmental problems, and accordingly have not carried out a detailed environmental investigation.

Therefore, this valuation is made on the assumption that there are no actual or potential contamination issues affecting:

- i) the value or marketability of the property;
- ii) the site.

Verification that the property is free from contamination and has not been affected by pollutants of any kind should be obtained from a suitably qualified environmental professional. Should subsequent investigation say that the site is contaminated, this valuation will require revision.

At the time of inspection there were no signs of visible site contamination. We are unaware of any past or proposed use of the land that could create potential liabilities under the environmental use protection legislation.

We have not been provided with an environmental audit report of this site.

Building Materials

We have not sighted any form of Asbestos Register in relation to the subject property.

Our site inspection did not reveal any obvious signs of asbestos products, however we cannot certify the site free of contamination.

We recommend that if the parties whom wish to rely on this report have any concerns in relation to potential asbestos contamination, they should request the owner to commission a survey and to prepare an Asbestos register.

Building Condition and Utility

We are not aware of any notices currently issued against the property and we have made no enquiries in this regard. Expert opinion has not been sought in respect to the building structure or the plant and equipment, however our limited enquiries have not revealed any major defects. The improvements are considered to be in reasonable condition for their age.

We have assumed that the property complies with the appropriate statutory, building and fire safety regulations.

We have also assumed that there is no timber infestation, asbestos or other defect and have made no investigations for them nor have we undertaken a structural survey or tested the building services.

Valuation

We assign the following value to the subject property as at 31 December 2010 and subject to the existing leases, comments, terms, conditions and assumptions contained within and annexed to our report, in fee simple and assuming the property is free of encumbrances, restrictions or other impediments of an onerous nature which would affect value:

Market Value on an Encumbered/Leased Basis:

\$2,350,000 – GST Exclusive

(TWO MILLION THREE HUNDRED AND FIFTY THOUSAND DOLLARS)

Colliers international Consultancy and Valuation Pty Limited

A handwritten signature in blue ink, appearing to read "N. Cranna".

Nicholas Cranna, AAPI
Certified Practising Valuer
B Bus (Prop) Val
16 December 2010 (Date of Signing Report)

A handwritten signature in blue ink, appearing to read "A. Thamm".

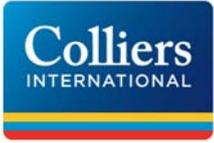
Alex Thamm, AAPI
Certified Practising Valuer
B Bus (Prop) Val
16 December 2010 (Date of Signing Report)

Summary of Valuation

Property	Market value in existing state as at 31 December 2010
Corryton Park Vineyard, Wirra Wirra Road, Pewsey Vale, SA Australia	\$2,350,000

Valuation Extract

Property	Description	Particulars of Occupancy	Market Value in existing state as at 31 December 2010
<p>Corryton Park Vineyard, Wirra Wirra Road, Pewsey Vale, SA Australia</p>	<p>The subject property comprises an irrigated mature vineyard located in the Eden Valley GI, approximately 12 kilometres east of the township of Williamstown.</p> <p>The property is leased to Burge Corp Pty Ltd for 5+5+5 years, with the current term due to expire on the 19th February 2013.</p> <p>The vineyard was largely established in 1999 and 2000 to Cabernet Sauvignon, Merlot and Petit Verdot and has a strong history of supplying quality sought after fruit.</p> <p>The property sources water from an adjoining property owned by the lessee (Burge Corp Pty Ltd) under an agreement that runs for an indefinite period.</p>	<p>The property is currently tenanted with the current term of 5 years.</p> <p>The tenant has two rights of renewal of five years each.</p>	<p>\$2,350,000</p>



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