

Circular to Creditors

Our World Winemaking Australia Pty Limited (Administrators Appointed) ACN 074 081 155

Please be advised that on 9 July 2009 we were appointed Joint and Several Administrators of the above company pursuant to a resolution of the company's sole director.

1.0 Purpose and Effect of Appointment

The purpose of the voluntary administration procedure is to maximise the chances of the company, or as much as possible of its business, continuing in existence. If it is not possible for the company's business to continue, then the voluntary administration aims to provide a better return for the company's creditors than would result from the immediate winding up of the company.

To ensure this, the *Corporations Act 2001* imposes a moratorium or freeze on creditor claims, replacing a creditor's right to pursue their claim legally with a right to participate in any dividend paid by the liquidator or administrator of a deed of company arrangement.

This moratorium does not impact on a creditor's right to recover goods supplied on the basis of a valid retention of title arrangement. If your debt relates to goods supplied on this basis, or on consignment terms, you should make immediate contact with this office.

The director's powers ceased on our appointment and we intend securing and realising the property of the company for the benefit of creditors.

2.0 Trading

It is intended that the company's operations will continue whilst we explore all available options to maximise the returns for creditors.

A separate circular to suppliers will be issued to creditors with whom the company will trade with whilst under administration. Creditors should not supply to the company until they have received the suppliers circular and have received a company purchase order signed by one of the voluntary administrators.

3.0 First Meeting of Creditors

We are required to convene a meeting of creditors that will be held at the time and place shown on the notice of meeting attached at **Annexure "A"**. The main purpose of the meeting is to determine whether to form a committee of creditors, however creditors will also receive a report from us regarding the company's financial position, and the reasons for our appointment.

Creditors wishing to attend this meeting and vote should make sure they complete and return to our office the attached proof of debt. Creditors not wishing to attend the meeting or company creditors whose directors, agents or employees are attending the meeting should ensure that the attached proxy form is completed and returned to us. Both documents should be returned 24 hours prior to the holding of the meeting.

4.0 Declarations of Independence, Relevant Relationships and Indemnities

Pursuant to Section 436DA of the Corporations Act and the IPA Code of Professional Practice, an Administrator is to disclose relevant details of relationships with parties that may impact on independence.

Attached in **Annexure "B"** is our Declaration of Independence, Relevant Relationships and Indemnities.

5.0 Professional Fees

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:-

a. Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

b. Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

c. Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

d. Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Given the nature of this administration, we propose that our remuneration be calculated on time based/hourly rates as it is our view that it is the most transparent and fair method of calculating our professional fees.

As we propose our remuneration to be calculated and fixed on the basis of time spent by us and our staff attending to the administration of the company, we set out below the rates for our remuneration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Level	Description	Hourly Rate (GST Exclusive)
Appointee/Director	Director of the firm and registered or official liquidator with in excess of 10 years insolvency experience	275.00
Intermediate 2	Experienced bookkeeper or trainee undertaking a degree with an accountancy major. Required to assist in the day-to-day fieldwork under the guidance of the Appointee.	130.00
Secretary	Appropriate skills including typing, diary management and ASIC document lodgments	110.00
Junior	Appropriate skills including typing, secretarial assistance, rounds, banking, account opening and ASIC document lodgments under supervision.	90.00

Scale applicable for financial year ending 30 June 2010

Given our recent appointment it is not possible to determine the level of professional fees with a high level of accuracy. Based on presently available information, we expect the cost of the voluntary administrators' fees will be between \$15,000 and \$25,000 plus GST.

A detailed remuneration report summarising all work performed during the voluntary administration will be provided to creditors prior to the second creditors' meeting. Only when the company's creditors or the Court approve our remuneration claim can it be paid.

6.0 Further Creditors' Meeting

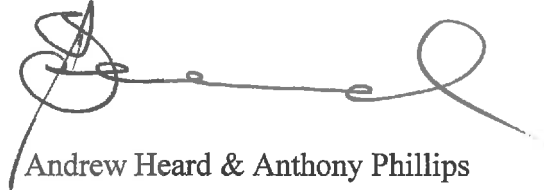
A second meeting of creditors will be held on or around 12 August 2009. Prior to this meeting, creditors will receive a detailed report on the property, affairs and financial circumstances of the company. At this meeting, creditors will also vote on the future of the company which may include liquidation, executing a deed of company arrangement or returning the control of the company back to the director.

7.0 ASIC Information Statement

The IPA/ASIC have published information statements on the ASIC web site www.asic.gov.au that may be useful to creditors. We attach at **Annexure "C"** a summary sheet for your information.

For further information please feel free to contact Andrew Heard.

Dated this 13th day of July 2009



Andrew Heard & Anthony Phillips
Joint & Several Administrators

Contact: Andrew Heard
Email: andrew@heardphillips.com.au

Encl.

FORM 529A


Corporations Act 2001
Sub-regulation 5.6.12(6)

**NOTICE OF APPOINTMENT OF ADMINISTRATORS AND FIRST MEETING OF
CREDITORS OF COMPANY**

**Our World Winemaking Australia Pty Limited
(Administrators Appointed)
ACN 074 081 155**

1. On 9 July 2009 the company under section 436A of the Corporations Act 2001 appointed Andrew James Heard and Anthony John Arthur Phillips of Heard Phillips, Chartered Accountants, Level 2, 45 Grenfell Street, Adelaide as the Joint and Several Administrators of the company.
2. Notice is now given that a meeting of the creditors of the company will be held at the Boardroom of the Institute of Chartered Accountants, Level 11, 1 King William Street, Adelaide on 21 July 2009 at 11.00 am.
3. The purpose of the meeting is to determine:
 - (a) whether to appoint a committee of creditors; and
 - (b) if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) remove the administrators from office; and
 - (b) appoint someone else as administrator of the company.

DATED this 13th day of July 2009



Andrew Heard & Anthony Phillips
Joint & Several Administrators

Heard Phillips, Chartered Accountants
Phone (08) 8212 3433

**Corporations Act 2001
Section 436DA(2)**

**Our World Winemaking Australia Pty Limited (Administrators Appointed)
ACN 074 081 155 ("the Company")**

Declaration of Independence, Relevant Relationships and Indemnities

Independence

We, Andrew James Heard and Anthony John Arthur Phillips, undertook a proper assessment of the risks to our independence prior to accepting appointment as joint and several administrators of the Company. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from continuing to act as administrators of this company.

Relevant Relationships

Neither ourselves or our firm have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially the whole of the Company's property.

Prior Engagements with the Insolvent

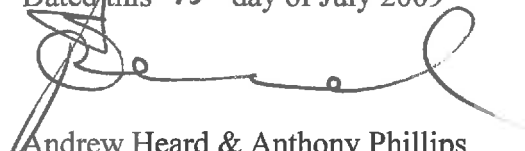
Neither ourselves or our firm have undertaken any prior engagements for the Company.

There are no other prior professional relationships or engagements that should be disclosed.

Indemnities

Neither ourselves or our firm have been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute.

Dated this 13th day of July 2009


Andrew Heard & Anthony Phillips
Joint & Several Administrators

Note: If circumstances change, or new information is identified, we are required under the IPA Code of Professional Conduct to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.



Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 Insolvency: a glossary of terms
- INFO 74 Voluntary administration: a guide for creditors
- INFO 75 Voluntary administration: a guide for employees
- INFO 45 Liquidation: a guide for creditors
- INFO 46 Liquidation: a guide for employees
- INFO 54 Receivership: a guide for creditors
- INFO 55 Receivership: a guide for employees
- INFO 43 Insolvency: a guide for shareholders
- INFO 43 Insolvency: a guide for directors
- INFO 84 Independence of external administrators: a guide for creditors
- INFO 85 Approving fees: a guide for creditors

Getting copies of the information sheets

- To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrators of Our World Winemaking Australia Pty Limited

1. This is to state that the company was on 9 July 2009 and still is, justly and truly indebted to
¹ _____ for _____
 _____ \$(_____)

Particulars of the debt are:

DATE	CONSIDERATION	AMOUNT (include details of substantiating vouchers)	REMARKS
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2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

If any bills or other negotiable securities are held show them in the following schedule:

DATE	DRAWER	ACCEPTOR	AMOUNT \$	DUE
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*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

OR

*3. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated:
 Signature:
 Occupation:
 Address:

* Delete if this proof is made by the creditor personally.

¹ Insert name and address of creditor

Corporations Act 2001

Our World Winemaking Australia Pty Limited

A.C.N. 074 081 155

APPOINTMENT OF PROXY

*I/*We¹ _____ of² _____
_____ a creditor of the above company appoint³ _____
_____ or in his or her absence⁴ _____

_____ as *my/*our *general/*special proxy to vote at the meeting of creditors to be held on 21 July 2009, or at any adjournment of that meeting (if a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution).

Dated

Signature

CERTIFICATE OF WITNESS⁵

I _____, of _____, certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated

Signature of witness

Description

Place of residence

*Omit in inapplicable

¹ Name of Creditor

² Creditor's address

³ Name on Intended Proxy

⁴ Name an Alternate Proxy

⁵ This section is only applicable if person giving the proxy is blind or incapable of writing