



**Monday 14 September 2009**

**Dear Shareholder**

**TANDOU RESPONSE TO GPG PROPORTIONAL TAKEOVER OFFER**

On 10 September Tandou Limited received a letter from Guinness Peat Group (Australia) Pty Ltd (**GPG**) stating that a wholly owned subsidiary of GPG intends to make a proportional takeover offer of 30 cents per share for 50% of each shareholder's shares in Tandou, subject to "prescribed occurrences, Stock Exchange and regulatory requirements" (**Proportional Takeover Offer**). Tandou is yet to receive a Bidder's Statement from GPG.

GPG currently holds approximately 19.9% of shares in Tandou.

The Proportional Takeover Offer has not been solicited by Tandou and the Board of Tandou recommends that shareholders **TAKE NO ACTION** until it has received and considered all takeover documentation. This will include both a Bidder's Statement from GPG as well as the Target's Statement from Tandou, which will include the Tandou Board's considered response to the offer.

Tandou has appointed legal advisers Minter Ellison and financial advisers Momentum Corporate to advise on the Takeover Offer. They will assist Tandou's directors to evaluate and respond formally to the offer and Bidder's Statement after it is received.

At this time the Board recommends that Tandou shareholders **TAKE NO ACTION** and the Board undertakes to keep shareholders fully informed in relation to GPG's Proportional Takeover Offer.

Yours faithfully

A handwritten signature in black ink, appearing to read "Guy Kingwill".

Guy Kingwill  
**CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR**  
**PH. 03 5018 6500**

**TANDOU LIMITED**  
ABN 81 001 014 562

***About Tandou Limited:***

*Tandou is a modern Australian agribusiness that owns and operates large scale irrigated cropping, horticultural and pastoral operations. Established in 1972 Tandou's land holdings cover nearly 80,000 hectares near Menindee NSW, 250 km north of its Mildura corporate office. Tandou has water entitlements of over 30 gigalitres strategically held across various river systems in the Murray Darling Basin. Tandou combines traditional knowledge with the latest technological advancements throughout its enterprises to minimise risk and produce high value returns. It is a major producer of irrigated cotton and durum wheat, along with stone fruit, wine grapes, citrus and organic lamb. Tandou also provides management and development services and recently retired all bank debt with the sale of its lower reliability water entitlements.*