



ENFORCEABLE UNDERTAKING
AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION
AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT

SECTION 93AA

The commitments in this Undertaking are offered to the Australian Securities and Investments Commission ('ASIC') by:

Peel River Vineyards Limited (ACN 088 891 972)

Court & Co.

Level 29 Tower Building

264 George Street

Sydney NSW 2000

1. BACKGROUND

- 1.1 Peel River Vineyards Limited ('the Company') is an unlisted public company which was incorporated in Queensland on 9 June 1998.
- 1.2 On 8 May 2000 the Company lodged with ASIC a Prospectus ('the initial prospectus') pursuant to section 718 of the Corporations Law ('the Law'). On 16 June 2000 the Company further lodged with ASIC a Replacement Prospectus ('the Prospectus') which was intended to supersede the initial prospectus. The Prospectus sought to raise \$6,750,000 by way of an issue of 6.75 million ordinary shares in the Company, with provision to issue up to 2,250,000 additional shares in the event of an oversubscription. Under the terms of the offer shareholders were also to obtain rights to participate in a viticultural farming venture referred to in the Prospectus as the Peel River Vineyards Project ARSN 092 451 020 (hereinafter referred to as "the scheme").
- 1.3 On or about 13 September 2000 ASIC formed the view that the offer of securities under the Prospectus might contravene section 728 of the Law in that the prospectus appeared to contain omissions of information required by sections 710 and 711 of the Law or otherwise contained misleading information. On the same date ASIC issued an interim stop order in relation to the Prospectus under s739(3) of the Law on the following grounds notified in writing to the company:

- i. there were incorrect references in the Prospectus to the expiry date of the Prospectus and the date required for achievement of minimum subscription ;
- ii. the Prospectus omitted to make adequate disclosure of a prior interest of a director of the company in property to be acquired by the company;
- iii. there appeared to be inadequate disclosure in the Prospectus as to what repercussions applied to the prospects and viability of the Peel River Vineyards Project as a result of the failure the scheme to obtain approval of a licence for supply of water to the scheme.

1.4 The Company has now notified ASIC that it does not anticipate achieving minimum subscription under the Prospectus and proposes to withdraw the offer and refund all subscriptions received to date.

1.5 The Company acknowledges ASIC's concerns set out in this undertaking and wishes to effect withdrawal of the Prospectus from further circulation on the basis of the following undertakings.

2. UNDERTAKING

2.1 Pursuant to section 93AA of the Australian Securities and Investments Commission Act, the Company undertakes that it will:

- (a) not issue or otherwise circulate the Prospectus to any person;
- (b) within 14 days after the date of this undertaking, in the case where the Prospectus has been issued to persons, issue to those persons a letter notifying them that:
 - (i) the Prospectus is subject to this undertaking;
 - (ii) has not allotted or issued any securities pursuant to the Prospectus;
 - (iii) no applications by persons for the subscription of securities will be accepted by the Company on the basis of the Prospectus;
- (c) not allot or issue or transfer any securities on the basis of the Prospectus;
- (d) within 14 days after the date of this undertaking, refund to persons who have applied shares or interests under the Prospectus, any subscription monies received by the Company under the Prospectus;

- (e) refund to all persons who apply in the future for subscription of shares or interests under the Prospectus their subscription monies within 14 days after the Company has received them;
- (f) within 14 days after the date of this undertaking, destroy all copies of the Prospectus (~~except file copy~~) in the custody, possession, or under the control, of the Company (*except for file copies*).
- (g) within 21 days after the date of this undertaking, provide to ASIC marked to the attention of Director Regulation, Queensland, a statutory declaration of one of the directors of the Company that the Company has complied with the undertakings referred to (a) to (f) above; and
- (h) at the written request of ASIC, provide access to ASIC officers to books which will allow ASIC to ascertain that the Company has complied with the undertakings referred to in (a) to (f) above.

3. ACKNOWLEDGMENTS

3.1 The Company acknowledges that ASIC:

- (a) may issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC which led to its execution;
- (b) may from time to time publicly refer to this undertaking; and
- (c) will make this undertaking available for public inspection.

3.2 The Company further acknowledges:

- (a) that this undertaking in no way derogates from the rights and remedies available to ASIC or any other person or entity arising from any conduct described in this undertaking;
- (b) that ASIC's acceptance of an enforceable undertaking does not affect ASIC's power to investigate a contravention arising from future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a pecuniary civil order; and
- (c) that this undertaking has no operative force until accepted by ASIC.



The Common Seal of Peel River Vineyard)
Limited ACN ~~023 983 978~~ ^{023 983 976} was duly)
affixed to this undertaking in the presence of:)



Director




Director/Secretary

O'LEARY T.J.
Name (Print)

ERIK LINDHOUT
Name (Print)

This day of September 2000.

ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION
PURSUANT TO SECTION 93AA OF THE ASIC LAW BY ITS DULY AUTHORISED
DELEGATE:



Michael Barnett
Director Regulation
Queensland Regional Office
This 18 day of September 2000.