

**This is an important document and requires your attention.
If you are in any doubt about how to deal with this document, you should
contact your broker, financial adviser or legal adviser.**

Cash Offer

by

GPG (No.4) Pty Limited

for all of your Shares in

Tandou Limited

ACN 001 014 562

for

A\$0.33 a Share

**Questions relating to the Offer can be directed to the Offer Information Line
on 1800 104 758 (toll-free within Australia) or +61 2 8268 3691 (for callers
from outside Australia).**

Contents

1	Key terms of GPG's Offer	3
2	Why you should accept GPG's Offer	4
3	How to accept GPG's Offer	5
4	Where to go for further information	5
5	Information on GPG and Guinness Peat	6
6	Information on Tandou	8
7	Information on Tandou's securities	8
8	Funding	11
9	GPG, GPG Australia and Guinness Peat's intentions in relation to Tandou	12
10	Tax considerations	14
11	Other material information	17
12	The terms and conditions of the Offer	21
13	Definitions and interpretation	31
14	Approval of Bidder's Statement	1

Key Dates

Announcement Date:	15 February 2010
Date of this Bidder's Statement:	15 February 2010
Date of the Offer:	[•] 2010
Offer closes:	7.00 pm (Sydney time) on [•] 2010

Key Contacts

Share Registrar for the Offer:	Offer Information Line:
Registries Limited GPO Box 3993, Sydney NSW 2001 Level 7, 207 Kent Street Sydney NSW 2000	1800 104 758 (toll-free within Australia) +61 2 8268 3691 (for callers from outside Australia)

Important information

This Bidder's Statement is issued by GPG (No.4) Pty Limited ACN 074 562 342 (**GPG**), a wholly-owned subsidiary of Guinness Peat Group (Australia) Pty Limited (**GPG Australia**), under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 15 February 2010. Neither ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

Investment advice

In preparing this Bidder's Statement, GPG has not taken into account the individual objectives, financial situation or needs of individual Tandou shareholders. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

The information on Tandou, Tandou's securities and the Tandou group of companies contained in this Bidder's Statement has been prepared by GPG using publicly available information. Information in this Bidder's Statement concerning Tandou's business has not been independently verified by GPG. Accordingly GPG does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Tandou's business may be included in Tandou's target's statement which Tandou must provide to its shareholders in response to this Bidder's Statement.

Privacy

GPG has collected your information from the Tandou register of shareholders for the purpose of making the Offer and, if accepted, administering your holding of Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to GPG's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of GPG is c/o PKF, Level 10, 1 Margaret Street, Sydney NSW 2000.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in **section 13** of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

1 Key terms of GPG's Offer

- (A) **Offer price** \$0.33 cash a Share.
- (B) **Offer** GPG is offering to acquire all of Your Shares.
- (C) **Closing** The Offer closes at 7.00 pm (Sydney time) on [•] 2010, unless it is extended or withdrawn by GPG.
- (D) **Payment** If you accept the Offer, GPG will pay you the consideration under the Offer by the earlier of:
 - (a) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
 - (b) 21 days after the end of the Offer Period.
- (E) **Conditions:** GPG's Offer is subject only to there being "no prescribed occurrences". Please refer to **section 12.7** of this Bidder's Statement for further information.

2 Why you should accept GPG's Offer

(a) **You will benefit from an attractive cash price for your Tandou Shares**

GPG's Offer represents:

- a 3% premium to the closing share price on the day before the Announcement Date;
- a 2% premium to the volume weighted average price for the five days prior to the Announcement Date; and
- a 10% discount to the volume weighted average price for the one month prior to the Announcement Date.

GPG's Offer is \$0.03 higher than its Proportional Offer.

(b) **You will not incur any brokerage charges in accepting GPG's Offer**

By accepting GPG's Offer you will not incur any brokerage charges if your Tandou Shares are registered in an Issuer Sponsored Holding (you may incur brokerage costs if you choose to sell your Shares on the market or you instruct your broker to accept GPG's Offer on your behalf).

(c) **GPG's Offer extends to all or any of your holding**

GPG will (subject to the Offer condition described in **section 12.7**) acquire any number of Your Shares for which you accept – up to a maximum of 100% of your holding.

(d) **Liquidity**

Tandou Shares currently trade at very low volumes on ASX. As such, there may be little or no opportunity to dispose of Your Shares into a liquid market.

3 How to accept GPG's Offer

You may accept GPG's Offer for all or any of Your Shares.

How to accept GPG's Offer will depend on whether you hold Your Shares in an Issuer Sponsored Holding or a CHESSE Holding.

- | | |
|--------------------------------------|--|
| Issuer sponsored shareholders | (A) If there is an "I" appearing next to your holder number on the enclosed Acceptance Form, then Your Shares are in an Issuer Sponsored Holding. |
| | (B) To accept GPG's Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form before GPG's Offer closes. |
| CHESSE sponsored shareholders | (C) If there is an "X" appearing next to your holder number on the enclosed Acceptance Form, then Your Shares are in a CHESSE Holding. |
| | (D) To accept GPG's Offer, you may either: <ul style="list-style-type: none">• complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form; or• call your broker and instruct your broker to accept GPG's Offer on your behalf, before GPG's Offer closes. |

Full details on how to accept GPG's Offer are set out in **section 12.3** of this Bidder's Statement. If you have any questions on how to accept please call the Offer Information Line.

4 Where to go for further information

If you have any queries in relation to GPG's Offer you can call the Offer Information Line on 1800 104 758 (toll-free within Australia) or +61 2 8268 3691 (for callers from outside Australia).

5 Information on GPG and Guinness Peat

5.1 Overview of GPG and Guinness Peat

GPG is an Australian company and is a wholly-owned subsidiary of GPG Australia which is ultimately owned by Guinness Peat. GPG was incorporated on 25 June 1996. The principal activity of GPG is to acquire the Tandou Shares.

Guinness Peat is an entrepreneurial investor and makes active investments and corporate acquisitions. This may involve the acquisition of controlling or substantial interests in suitable companies, the establishment of strategic shareholdings or the restructure of the financing or management of the companies in which it invests. Consistent with its investment philosophy and strategy, Guinness Peat has made investments in a number of listed and unlisted public companies both in Australia and overseas. Guinness Peat has investments in various sectors including financial services, thread manufacture, foodstuff manufacture, importing, exporting and distribution of fresh fruit and produce, building services and provision of value added services across payment devices.

As at close of business on 12 February 2010, Guinness Peat had a market capitalisation of approximately A\$1,054 million.

5.2 Directors of GPG and Guinness Peat

(a) Directors of GPG

The following are the directors of GPG:

Dr G. H. Weiss, Executive Director

Gary Weiss has considerable experience in the international business scene. He is chairman of Coats plc and a director of various public companies including Westfield Group and Victor Chang Cardiac Research Institute Limited.

A. M. Eisen, Executive Director

Anthony Eisen is a chartered accountant and has over 15 years experience in commerce and financial advice. He is currently an investment manager at GPG Australia and was previously an investment banker in Australia and the United States. Anthony is currently a non-executive director of eServ Global Limited, MMC Contrarian Limited and Capral Limited.

M. L. Jefferies, Executive Director

Michael Jefferies is a chartered accountant with extensive experience in finance and investment, including more than 18 years as an executive of GPG Australia.

He is currently chairman of Touch Holdings Limited and a non-executive director of Capral Limited, TOWER Limited, Metals X Limited, MMC Contrarian Limited and Ozgrowth Limited.

(b) **Directors of Guinness Peat**

The following are the directors of Guinness Peat:

Sir Ron Brierley, Chairman

Sir Ron Brierley implemented his investment approach successfully having founded Brierley Investments Limited in 1961. Following his appointment to the board of Guinness Peat in March 1990, Sir Ron has continued to apply and develop this approach within the Guinness Peat group of companies.

A. I. Gibbs, Executive Director

Tony Gibbs has been involved with public company boards for many years. His experience includes mergers, acquisitions and divestments. He is chairman of Tower Ltd. and Turners & Growers Ltd, and a director of Coats plc.

R. Langley, Non-Executive Director

Ron Langley is an experienced director having sat on the boards of many public companies around the world.

Ron spent the last 25 years in the United States, initially heading the former Brierley Investments Limited's international subsidiary in North America. He then became Executive Chairman of PICO Holdings Inc., an insurance, water rights and property company which held significant strategic investments in the US, Switzerland, Australia and New Zealand.

B. A. Nixon, Executive Director

Blake Nixon has wide corporate experience both in the UK and Australia. He is a director of Coats plc. He acts as a trustee on each of Guinness Peat's UK pension schemes.

Dr G. H. Weiss, Executive Director

See description at **section 5.2(a)**.

Further details about the qualifications and experience of the directors are available from <http://www.gpgplc.com/aboutus/directors.aspx>.

5.3 Publicly available information

The shares of Guinness Peat are admitted to the official list of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange for listed securities and to quotation on the Australian and New Zealand securities exchanges. As such, Guinness Peat is subject to the continuous disclosure obligations of the UK Listing Authority, and the Australian and New Zealand securities exchanges. A substantial amount of information concerning Guinness Peat is publicly available and may be accessed at <http://www.gpgplc.com/>.

6 Information on Tandou

6.1 Overview of Tandou and its principal activities

Tandou is an Australian public company listed on the ASX. Its head office is in Mildura, Victoria. Tandou currently operates two primary assets – Tandou Farm and Tandou Orchard.

Tandou Farm is located 50km south west of Menindee, NSW. It comprises approximately 79,000 hectares (**ha**) of which 12,595 ha is developed to furrow irrigation. A further 785 ha has been developed to permanent water efficient, sub-surface drip irrigation. The remaining 55,000 ha is now being used for extensive grazing.

The principal crops are upland and pima cotton, with on-site ginning facilities for both types of cotton. Durum wheat and malting barley are grown in rotation with cotton to aid the sustainability of production.

In recent years the amount of cotton/cereal planting has been substantially and adversely impacted by a lack of water availability. This lack of water has occurred as a result of the Darling River system continuing an unprecedented period of low flows.

Tandou Orchard is located at Menindee in NSW, 110km south east of Broken Hill. The property has secure water and comprises approximately 5,350 ha bordered by the Darling River and Lakes Pamamaroo and Menindee.

Plantings total 157 ha comprising stone fruit, citrus and wine grapes. Supporting infrastructure includes a modern packing shed and cool room, along with on-site accommodation for permanent and casual employees.

6.2 Publicly available information about Tandou

The ASX website lists all announcements issued by Tandou. These documents are available in electronic form from www.asx.com.au.

In addition, Tandou is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Tandou may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Tandou is also available in electronic form from <http://www.tandou.com.au/>.

7 Information on Tandou's securities

7.1 Tandou's issued securities

According to documents provided by Tandou to the ASX, as at 1 January 2010, Tandou's securities consisted of:

- 88,100,707 Shares;
- 165,000 Partly Paid Shares – being, 125,000 (unquoted) ordinary shares of \$1.00 partly paid to \$0.20 and 40,000 (unquoted) ordinary shares of \$1.00 partly paid to \$0.01; and

- 166,667 Options.

If:

- the holder(s) of all Options were able to, and did, exercise the outstanding Options; and
- the holder(s) of all the Partly Paid Shares were able to, and did, pay up the outstanding amount on those Partly Paid Shares,

the total number of Shares on issue would be 88,432,374.

7.2 Interests in Tandou securities

As at the date of this Bidder's Statement:

- Guinness Peat's voting power in Tandou was 20.17%; and
- Guinness Peat had a relevant interest in 17,768,828 Shares.

These Shares are registered as follows:

Number	Name
13,229,895	GPG Australia Nominees Limited
4,300,652	GPG Nominees Pty Limited
238,281	GPG (No.4) Pty Limited

Immediately before the first Offer was sent:

- Guinness Peat's voting power in Tandou was [•]%; and
- Guinness Peat had a relevant interest in [•] Shares.

These Shares are registered as follows:

Number	Name
[•]	GPG Australia Nominees Limited
[•]	GPG Nominees Pty Limited
[•]	GPG (No.4) Pty Limited

7.3 Dealings in Shares

(a) Previous 4 months

None of Guinness Peat, GPG Australia, GPG, or any associate of these companies has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the four months before the date of this Bidder's Statement, except as described below:

Holder of relevant interest	Date of dealing	Description of dealing
Guinness Peat and its subsidiaries	Between 6 October 2009 and 14 February	Off market takeover bid made by GPG for up to 50% of the Shares held by each

2010 (inclusive) shareholder of Tandou at \$0.30 a Share

(b) **Period before Offer**

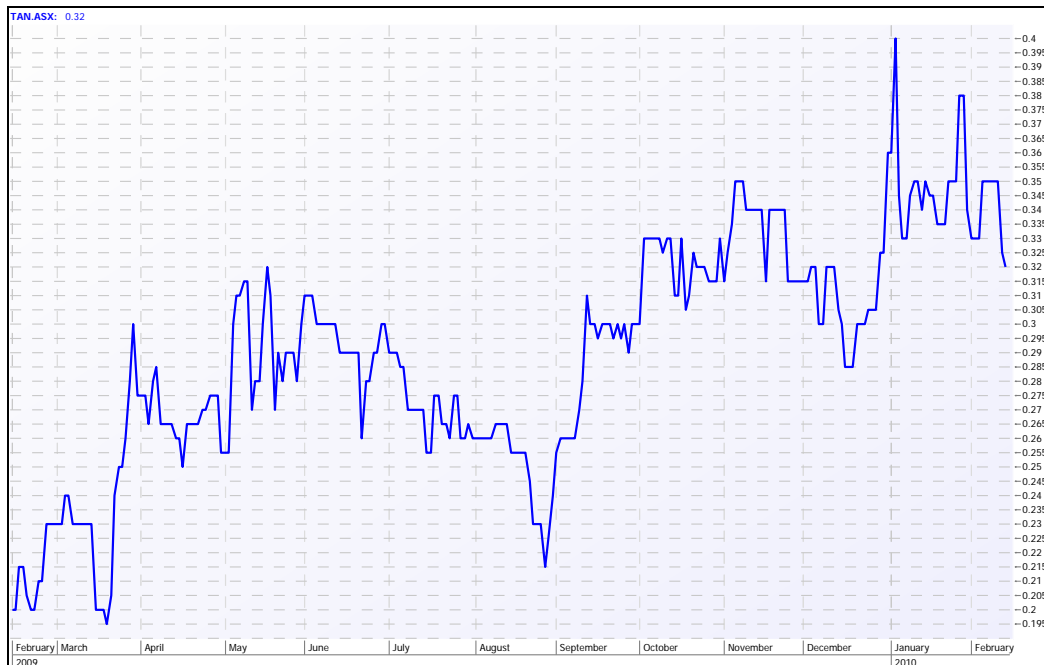
None of Guinness Peat, GPG Australia, GPG, or any associate of these companies has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, except as described below:

Holder of relevant interest	Date of dealing	Description of dealing
[•]	[•]	[•]

7.4 Recent share price performance of Tandou

The latest recorded sale price of Tandou Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was \$0.32.

The following chart shows the last sale price for Tandou Shares on ASX in the 12 months prior to the Announcement Date:



7.5 No pre-Offer benefits

Except as set out below or in **section 11.2** of this Bidder's Statement, during the period:

- of four months before the date of this Bidder's Statement, and
- from the date of this Bidder's Statement to the date before the date of GPG's Offer,

none of Guinness Peat, GPG Australia, GPG, or any associate of these companies gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept GPG's Offer; or
- dispose of the Shares,

and which is not offered to all holders of the Shares under GPG's Offer.

7.6 No escalation agreements

None of Guinness Peat, GPG Australia, GPG, or any associate of these companies has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

8 Funding

8.1 Total cash consideration

GPG's Offer is a 100% cash offer (in Australian dollars).

The maximum amount of cash that GPG would be required to pay under GPG's Offer if acceptances are received in respect of all Shares on issue as at the date of this Bidder's Statement (other than those Shares in which GPG or Guinness Peat has a relevant interest) would be approximately A\$23.2 million.

8.2 Overview of funding arrangements

GPG Finance, a related company of GPG and part of the Guinness Peat group of companies, has irrevocably agreed to lend to GPG all funds required by GPG to meet its obligations under the Offer. These funds will be provided by GPG Finance from its existing internal facilities with the Guinness Peat group. Guinness Peat, the parent company of the Guinness Peat group, has cash on deposit which exceeds the total amount that GPG would be required to pay under the Offer and which is available for utilisation by GPG Finance.

There are no conditions precedent to the utilisation or provision of these funds.

GPG is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to pay the consideration required for the acquisition of Shares pursuant to GPG's Offer to satisfy its obligations under GPG's Offer.

9 GPG, GPG Australia and Guinness Peat's intentions in relation to Tandou

9.1 Introduction

This **section 9** sets out GPG, GPG Australia and Guinness Peat's intentions in relation to the following:

- the continuation of the business of Tandou;
- any major changes to the business of Tandou and any redeployment of the fixed assets of Tandou; and
- the future employment of the present employees of Tandou.

GPG is a wholly-owned subsidiary of GPG Australia which is ultimately owned by Guinness Peat. Accordingly, the intentions, views and understandings of GPG as set out in this Bidder's Statement are the same as those of GPG Australia and Guinness Peat.

These intentions have been formed on the basis of facts and information concerning Tandou and the general business environment which are known to GPG, GPG Australia and Guinness Peat at the time of preparing this Bidder's Statement.

GPG has reviewed information that is publicly available concerning Tandou and its current business, operations and assets and plans for the future. However, GPG has not undertaken any formal due diligence in relation to Tandou's business and operations in connection with GPG's Offer and may not be aware of all the material information, facts and circumstances that may be necessary to assess the operational, commercial, taxation and financial implications of its current intentions.

At the conclusion of the Offer Period, GPG will, to the extent to which it is able, conduct a broad business review of Tandou's operations, assets, liabilities, structure and employees following which it will review its intentions as set out in this section.

Final decisions will only be reached after that review and in the light of all material facts and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention and may change as new information becomes available or circumstances change.

9.2 Intentions if GPG acquires 90% or more of the Shares

This section sets out GPG's current intentions if it acquires 90% or more of the Shares and is entitled to proceed to compulsory acquisition of the outstanding Shares.

(a) Compulsory acquisition

If it becomes entitled to do so under the Corporations Act, GPG intends to give notices to compulsorily acquire any outstanding Shares in accordance with section 661B of the Corporations Act.

(b) **Directors**

GPG intends to procure that a majority of the members of the Tandou Board, and the boards of Tandou's subsidiaries will be nominees of GPG.

(c) **ASX listing**

Upon completion of compulsory acquisition under the Corporations Act, Tandou will be removed from the official list of the ASX.

(d) **Operations**

GPG intends to work with Tandou management to conduct a review of Tandou's assets and operations to evaluate their performance, profitability and prospects. GPG expects, subject to this review, to either sell, restructure or close Tandou's horticultural and other peripheral activities not producing an economic return to shareholders and to explore all avenues to maximise the value of Tandou's remaining water assets.

Further, GPG currently intends that Tandou's head office will remain in Mildura, Victoria.

(e) **Employees**

If one or more of the steps referred to in **section 9.2(d)** above are implemented, it is possible that some or all of the employees of Tandou may be made redundant. GPG recognises the contribution made by Tandou's loyal, experienced and hard working staff (and their families) and will be seeking to best protect their interests and the communities in which they live.

9.3 Intentions if GPG acquires less than 90% of the Shares

This section sets out GPG's current intentions if it acquires less than 90% of the Shares.

(a) **Corporate matters**

Subject to the Corporations Act and Tandou's constitution, GPG intends to seek to appoint one or more GPG nominees to the Tandou Board. GPG has not made any decision as to who would be nominated for appointment to the Tandou Board in this case.

(b) **Operations and employees**

GPG will endeavour to implement its intentions as outlined in **section 9.2(d)** and **9.2(e)** to the extent practicable, subject to requirements of the law.

(c) **Other**

To the extent that surplus funds become available following the implementation of one or more of the steps referred to in **section 9.3(b)**, GPG intends to recommend that these funds be returned to Tandou shareholders.

The return of funds to Tandou shareholders could involve one or more of the following – the payment of a dividend or a return of capital by way of a cash distribution. GPG will review the commercial, taxation and financial considerations relevant to making a decision on this matter with a view to maximising the return to shareholders.

10 Tax considerations

10.1 Introduction

The following is a general outline of the main Australian income tax consequences for both an Australian resident individual and a non-resident individual Tandou shareholder who holds Shares on capital account and disposes of Shares by accepting the Offer.

The outline does not take into account or anticipate changes in the law (by legislation or judicial decision) or practice (by ruling or otherwise). The outline is also not exhaustive of all income tax considerations which could apply in the circumstances of any given Tandou shareholder. In particular, special rules apply to certain shareholders (such as insurance companies, superannuation funds, banks, employees of Tandou or its associated companies who acquired their Shares in respect of their employment and those Tandou shareholders who hold their Shares on revenue account, such as those Tandou shareholders who trade in shares or hold Shares as trading stock) which are not covered by this outline.

All Tandou shareholders, and particularly those shareholders not covered by this outline as noted above should consult their own tax advisers regarding the Australian and, if applicable, foreign income tax consequences of disposing of Shares given the particular circumstances which apply to them.

10.2 Capital gain or loss

The sale of Shares pursuant to the Offer will involve the disposal by Tandou shareholders of their Shares by way of transfer to GPG. This change in ownership of the Shares will constitute a CGT event for Australian income tax purposes.

Tandou shareholders (who are Australian residents) may make a capital gain or incur a capital loss in respect of the sale of their Shares that were acquired (or deemed to have been acquired) after 19 September 1985. Any capital gain or loss arising on the disposal of shares acquired (or deemed to have been acquired) before 20 September 1985 is generally disregarded.

A capital gain will arise to the extent the capital proceeds from the disposal of Shares (being the cash received by the Tandou shareholder under the Offer) exceed the cost base (or, in some cases as discussed below, the indexed cost base) of the Shares.

A capital loss will be incurred to the extent the capital proceeds are less than the reduced cost base of the Shares.

The capital gains and capital losses of an individual taxpayer from all CGT events are aggregated to determine whether there is a net capital gain or net capital loss in any given tax year. A net capital gain may be discounted (as discussed below). Any net capital gain, after applicable discounts, is included in the assessable income of the individual taxpayer and may be subject to income tax. Net capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

The availability of indexation or a discount in calculating the capital gain subject to tax depends on the date of acquisition of the Shares and the elections made by individual Tandou shareholders as discussed below.

(a) Shares acquired at or before 11.45 am on 21 September 1999

The cost base of Shares is generally their cost of acquisition. If Shares were acquired at or before 11.45 am (by legal time in the Australian Capital Territory) on 21 September 1999, a Tandou shareholder who is an individual, the trustee of a complying superannuation entity or the trustee of a trust may elect to adjust the cost base of the Shares to include indexation by reference to changes in the Consumer Price Index from the calendar quarter in which the Shares were acquired until the quarter ended 30 September 1999. Tandou shareholders that are companies will be entitled to include that indexation adjustment without making an election if their Shares were acquired at or before 11.45 am (by legal time in the Australian Capital Territory) on 21 September 1999. However, whilst those indexation adjustments are taken into account for the purposes of calculating any capital gain, they are ignored when calculating the amount of any capital loss.

Individuals, trustees of complying superannuation entities or trustees of trusts who do not make the indexation election referred to above may be entitled to discount the amount of their net capital gain from the disposal of Shares by:

- (i) 50% in the case of individuals and trustees of trusts (other than a trust that is a complying superannuation entity); or
- (ii) 33¹/₃% for trustees of complying superannuation entities.

Tandou shareholders that are companies (not acting as trustees) are not entitled to any discount in respect of their net capital gains.

Whether it is better for any given Tandou shareholder to make the indexation election or not will depend upon the particular Tandou shareholder's individual circumstances, including the cost base of the Shares and whether the Tandou shareholder has any available capital losses. Tandou shareholders should consult with their own tax advisers in this regard.

(b) Shares acquired after 11.45 am on 21 September 1999

If Shares are held by an individual, the trustee of a trust or the trustee of a complying superannuation entity and they were acquired:

- (i) after 11.45 am (by legal time in the Australian Capital Territory) on 21 September 1999; and
- (ii) at least 12 months before the date on which the Tandou shareholder accepted the Offer,

then the discounts referred to above are generally available.

There is no entitlement to indexation of the cost base for any Tandou shareholder (including companies) in these circumstances.

10.3 Non-resident Tandou shareholders

Broadly, a person or entity who is a non-resident of Australia for tax purposes will only be assessed for Australian tax on a capital gain from the sale of shares (where the shares are acquired or deemed to have been acquired after 19 September 1985) if the shares are "taxable Australian property".

In the present context, Shares held by a non-resident will be taxable Australian property if:

- (a) the non-resident owns, or for a period of 12 months during the previous 24 months owned, or had a right to acquire, 10% or more of the Shares and 50% or more of the assets of Tandou are taxable Australian real property (i.e. real property in Australia, and mining, quarrying or prospecting rights);
- (b) the Shares have been used by the non-resident in carrying on a business through a permanent establishment in Australia; or

- (c) the non-resident purchased the Shares at a time when they were resident of Australia and elected that the Shares would continue being taxable Australian property at the time they ceased to be a resident of Australia.

The comments above on discount capital gains and indexation also apply to non-resident shareholders.

Non-resident shareholders should also seek advice on the tax consequences in the shareholder's country of residence before accepting the Offer.

10.4 Transfer taxes

No stamp duty is payable for the transfer of listed shares (such as Shares). No GST applies to the transfer of shares, however GST may be payable in respect of brokerage. No input tax credit will be available for GST on inputs to the transfer such as brokerage.

11 Other material information

11.1 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the persons to whom information is to be sent under items 6 and 12 of subsection 633(1) is the Register Date.

11.2 Proportional Offer

On 18 September 2009, GPG lodged a bidder's statement with ASIC under which GPG made offers under an off-market takeover bid for up to 50% of the Shares held by each shareholder of Tandou at \$0.30 a Share. The Proportional Offer was not recommended by the Tandou Board.

As at the date of this Bidder's Statement, GPG has received acceptances under the Proportional Offer in respect of 238,281 Shares. The Proportional Offer closes at 7.00 pm (Sydney time) on 15 February 2010.

If immediately before the close of the Proportional Offer, there has been no increase in the cash consideration offered under the Proportional Offer under section 651A of the Corporations Act, to a price equal to the cash consideration offered or to be offered at that time under this Offer, GPG intends, subject to receipt of any necessary regulatory approvals, to pay those Tandou shareholders who have accepted the Proportional Offer an additional cash amount per Share so that the cash price per Share received by those Tandou shareholders is the same as the cash price being offered at that time under this Offer. For example, if immediately before the close of the Proportional Offer, the cash consideration offered under the Proportional Offer is \$0.30 a Share and the cash consideration being offered under this Offer is \$0.33 a Share, GPG will pay accepting Tandou shareholders under the Proportional Offer, an additional amount of \$0.03 cash for each Share accepted.

GPG expects to make payment of any additional cash amount at the same time as the cash consideration is paid to the accepting Tandou shareholders under the Proportional Offer.

Further information on the Proportional Offer can be found by viewing Tandou's ASX announcements. These documents are available in electronic form from www.asx.com.au.

11.3 On-market acquisitions

Subject to the requirements of the Corporations Act, GPG intends to acquire Shares on-market at prices up to \$0.33 a Share during normal trading on the ASX. Tandou shareholders who sell their Shares on the ASX will receive payment on a T+3 basis (being three trading days after the date of the transaction).

Tandou shareholders who sell their Shares on the ASX cannot subsequently accept the Offer in respect of Shares sold on the ASX. Additionally, Tandou shareholders who sell their Shares on the ASX may incur brokerage charges which they would not incur if they accepted the Offer.

11.4 Broker handling fee

Subject to the terms below, if GPG's Offer becomes or is declared unconditional, GPG will pay a broker handling fee (**Broker Fee**) to market participants of the ASX (**Brokers**) who initiate valid acceptances (**Acceptances**) of GPG's Offer in respect of parcels of Shares held by retail shareholders of Tandou. A retail shareholder of Tandou is a shareholder who is not a Broker or an associate of a Broker and who as at the date of the Acceptance holds fewer than 500,000 Shares.

The Broker Fee will be 0.75% of the consideration payable by GPG under GPG's Offer as a result of the Acceptance, subject to a maximum Broker Fee of A\$750 payable in respect of any Acceptance. GPG reserves the right to aggregate any Acceptances in determining the Broker Fees payable to any Broker if GPG believes that a party or parties has or have structured holdings of Shares to take advantage of the Broker Fee.

The Broker Fee is payable to Brokers only. No part of any Broker Fee may be passed on or paid to the accepting Tandou shareholder. An acceptance of a Broker Fee by a Broker constitutes a representation that neither it, nor its associates, holds a relevant interest (within the meaning of those terms in the Corporations Act) in the Shares and the Broker Fee will not be passed on or otherwise shared directly or indirectly with the accepting Tandou shareholder or its associates.

If GPG's Offer becomes free of all conditions, the Broker Fee will be payable to any Broker:

- who submits to the Share Registrar the Share Registrar's Broker Fee Claim Form (**Claim Form**) no later than 5:00pm (Sydney time) on the day which is 5 Business Days after the end of the Offer Period. Claim Forms may be obtained from the Share Registrar by contacting 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia); and
- whose original official stamp appears on the Acceptance Form or who, in respect of a CHES Holding, produces evidence satisfactory to GPG that it is the controlling participant who initiated the acceptance.

The Claim Form, with all relevant details, must be submitted to the Share Registrar in hard copy format to the following address:

C/- Registries Limited
GPO Box 3993
Sydney NSW 2001

For any Tandou shareholder on the CHES subregister, where that shareholder directly requests GPG (and not the relevant Broker) to initiate acceptance of GPG's Offer on their behalf, that Broker will not be entitled to receive the Broker Fee.

No Broker Fees are payable in respect of Acceptances that are withdrawn.

Subject to the terms above, payment of the Broker Fee, in respect of a valid Acceptance bearing the original Broker's stamp (if applicable) and the Claim Form in the format described above, will be made by cheque within 10 Business Days after the end of the Offer Period.

No Broker Fees are payable in respect of on-market acquisitions of Shares by GPG.

11.5 Consents

This Bidder's Statement contains statements made by, or statements said to be based on statements made by GPG Australia and Guinness Peat. GPG Australia and Guinness Peat have consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

Corrs Chambers Westgarth has acted as legal adviser to GPG in relation to GPG's Offer. Corrs Chambers Westgarth has consented to being named in this Bidder's Statement in the form and context in which it is named and has not withdrawn that consent as at the date of this Bidder's Statement, but should not be regarded as authorising the issue of this Bidder's Statement or any statements in it.

Registries Limited has acted as share registrar in relation to GPG's Offer. Registries Limited has consented to being named in this Bidder's Statement in the form and context in which it is named and has not withdrawn that consent as at the date of this Bidder's Statement, but should not be regarded as authorising the issue of this Bidder's Statement or any statements in it.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge), during the bid period, please contact the Offer Information Line on 1800 104 758 (toll-free within Australia) or +61 2 8268 3691 (for callers from outside Australia).

In addition, as permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

11.6 ASIC modifications and exemptions

GPG has not obtained from ASIC any modifications or exemptions from the Corporations Act in relation to GPG's Offer.

GPG may rely upon various "class order" instruments published by ASIC which provide for modifications and exemptions that apply generally to all persons, including GPG.

11.7 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Tandou shareholder whether or not to accept GPG's Offer; and
- (b) known to GPG, GPG Australia or Guinness Peat,

which has not previously been disclosed to Tandou shareholders.

12 The terms and conditions of the Offer

12.1 Offer

- (a) GPG is offering to acquire all of Your Shares on and subject to the terms and conditions set out in this **section 12** of this Bidder's Statement. You may accept this Offer in respect of all or only some of Your Shares.
- (b) Despite paragraph (a), if accepting this Offer would leave you with less than a Marketable Parcel of Tandou Shares you will be deemed to have accepted for (and will receive consideration for) 100% of your Tandou Shares.
- (c) The consideration under the Offer is A\$0.33 a Share.
- (d) By accepting this Offer, you undertake to transfer to GPG not only the Shares which it will acquire under the Offer, but also all Rights attached to those Shares (see **section 12.5(b)(vi)** and **section 12.6(c)**).
- (e) This Offer extends to Tandou Shares in existence as at the Register Date. It also extends to Tandou Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, other securities which are convertible into Shares and which are on issue as at the Register Date.
- (f) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is able to give good title to some or all of Your Shares:
 - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Shares;
 - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of the remaining Shares you hold to which the Offer relates; and
 - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (g) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate Offer on the same terms and conditions as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1800 104 758 (toll-free within Australia) or +61 2 8268 3691 (for callers from outside Australia) to request those additional copies.

- (h) If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (i) The Offer is dated [•] 2010.

12.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00 pm (Sydney time) on the later of:
 - (i) [•] 2010; or
 - (ii) any date to which the Offer Period is extended.
- (b) GPG reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

12.3 How to accept this Offer

- (a) **General**
 - (i) Subject to **section 12.1(f)** and **section 12.1(g)**, you may accept this Offer for all or any of Your Shares. You must specify the number of Shares for which you wish to accept (**Accepted Shares**) in the Acceptance Form. If you do not specify a number of Shares, or you specify a number greater than your holding, on your Acceptance Form, you will be taken to have accepted the Offer for all of Your Shares.
 - (ii) You may accept this Offer at any time during the Offer Period.
- (b) **Shares held in your name on an Issuer Sponsored Holding**

To accept this Offer for Shares held in your name on Tandou's issuer sponsored subregister (in which case your Security Holder Reference Number will commence with 'I'), you must:

 - (i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
 - (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
- (c) **Shares held in your name in a CHESS Holding**
 - (i) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your broker or Controlling Participant (this is normally the stockbroker through whom you bought Your Shares or ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in

accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period.

- (ii) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period.
 - (iii) Alternatively, to accept this Offer for Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
 - (iv) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASTC Settlement Rules.
- (d) **Shares of which you are entitled to be registered as holder**

To accept this Offer for Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
 - (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
- (e) **Acceptance Form and other documents**
- (i) The Acceptance Form forms part of the Offer.
 - (ii) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by GPG at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
 - (iii) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instructions on the Acceptance Form) are received by GPG in time for GPG to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule

14.14 of the ASTC Settlement Rules before the end of the Offer Period.

- (iv) The postage of the Acceptance Form and other documents is at your own risk.

12.4 Validity of acceptances

- (a) Subject to this **section 12.4**, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in **section 12.3**.
- (b) GPG will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. GPG is not required to communicate with you prior to making this determination. The determination of GPG will be final and binding on all parties.
- (c) Notwithstanding **section 12.3(b)**, **section 12.3(c)**, **section 12.3(d)** and **section 12.3(e)**, GPG may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of the Accepted Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by GPG.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of your Accepted Shares, GPG may, in its sole discretion, regard the Offer to be accepted in respect of those Accepted Shares but not the remainder.
- (e) GPG will provide the consideration to you in accordance with **section 12.6**, in respect of any part of an acceptance determined by GPG to be valid.

12.5 The effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Shares from the Offer or otherwise dispose of Your Shares, except as follows:
 - (i) if, by the relevant time specified in **section 12.9**, the condition in **section 12.7** has not been fulfilled or freed, this Offer will automatically terminate and your Accepted Shares will be returned to you; or
 - (ii) if the Offer Period is extended for more than one month and, at the time, this Offer is subject to the condition in **section 12.7**, you may be able to withdraw your acceptance and your Accepted Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.

- (b) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to **section 12.3**, you will be deemed to have:
- (i) accepted this Offer (and any variation of it), and, subject to the condition to this Offer in **section 12.7** being fulfilled or freed, agreed to transfer to GPG, your Accepted Shares, subject to **section 12.1(f)** and **section 12.1(g)**;
 - (ii) represented and warranted to GPG, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of your Accepted Shares (including any Rights) to GPG is registered, that all your Accepted Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in your Accepted Shares (including any Rights) to GPG, and that you have paid to Tandou all amounts which at the time of acceptance have fallen due for payment to Tandou in respect of your Accepted Shares;
 - (iii) irrevocably authorised GPG (and any director, secretary or nominee of GPG) to alter the Acceptance Form on your behalf by inserting correct details of your Accepted Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by GPG to make it an effective acceptance of this Offer or to enable registration of your Accepted Shares in the name of GPG;
 - (iv) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised GPG (or any director, secretary or agent of GPG) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of your Accepted Shares in accordance with Rule 14.14 of the ASTC Settlement Rules;
 - (v) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised GPG (or any director, secretary or agent of GPG) to give any other instructions in relation to your Accepted Shares to your Controlling Participant, as determined by GPG acting in its own interests as a beneficial owner and intended registered holder of those Shares;
 - (vi) irrevocably authorised and directed Tandou to pay to GPG, or to account to GPG for, all Rights in respect of your Accepted Shares, subject, if this Offer is withdrawn, to GPG accounting to you for any such Rights received by GPG;
 - (vii) irrevocably authorised GPG to notify Tandou on your behalf that your place of address for the purpose of serving notices upon you

in respect of your Accepted Shares is the address specified by GPG in the notification;

- (viii) with effect from the date on which the condition to this Offer in **section 12.7** has been fulfilled or freed, irrevocably appointed GPG (and any director, secretary or nominee of GPG) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to your Accepted Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings of Tandou and to request Tandou to register, in the name of GPG or its nominee, your Accepted Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (ix) with effect from the date on which the condition to this Offer in **section 12.7** has been fulfilled or freed, agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting of Tandou or to exercise or purport to exercise any of the powers and rights conferred on GPG (and its directors, secretaries and nominees) in **section 12.5(b)(viii)**;
- (x) agreed that in exercising the powers and rights conferred by the powers of attorney granted under **section 12.5(b)(viii)**, the attorney will be entitled to act in the interests of GPG as the beneficial owner and intended registered holder of your Accepted Shares;
- (xi) agreed to do all such acts, matters and things that GPG may require to give effect to the matters the subject of this **section 12.5(b)** (including the execution of a written form of proxy to the same effect as this **section 12.5(b)** which complies in all respects with the requirements of the constitution of Tandou) if requested by GPG;
- (xii) agreed to indemnify GPG in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Security Holder Reference Number or in consequence of the transfer of your Accepted Shares to GPG being registered by Tandou without production of your Holder Identification Number or your Security Holder Reference Number for your Accepted Shares;
- (xiii) represented and warranted to GPG that, unless you have notified it in accordance with **section 12.1(g)**, Your Accepted Shares do not consist of separate parcels of Shares;
- (xiv) irrevocably authorised GPG (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASTC Settlement Rules to transfer your Accepted Shares to GPG's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer;

- (xv) agreed, subject to the condition of this Offer in **section 12.7** being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that GPG may consider necessary or desirable to convey your Accepted Shares registered in your name and Rights to GPG.
- (c) The undertakings and authorities referred to in **section 12.5(b)** will remain in force after you receive the consideration for your Accepted Shares and after GPG becomes registered as the holder of your Accepted Shares.

12.6 Payment of consideration

- (a) Subject to this **section 12.6** and the Corporations Act, GPG will provide the consideration due to you for your Accepted Shares on or before the earlier of:
 - (i) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (i) if that document is given with your Acceptance Form, GPG will provide the consideration for your Accepted Shares in accordance with **section 12.6(a)**;
 - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, GPG will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, GPG will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
 - (iv) if that document is given after your Acceptance Form and after the end of the Offer Period, and the Offer is not subject to a defeating condition, GPG will provide the consideration within 21 days after that document is delivered. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, GPG will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (c) If you accept this Offer, GPG is entitled to all Rights in respect of your Accepted Shares. GPG may require you to provide all documents

necessary to vest title to those Rights in GPG, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to GPG, or if you have received the benefit of those Rights, GPG will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by GPG) of those Rights, together with the value (as reasonably assessed by GPG) of the franking credits, if any, attached to the Rights.

- (d) The consideration payable by GPG to you under the Offer will be paid to you by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address as shown on your Acceptance Form.
- (e) If at the time you accept the Offer any of the following:
 - (i) *Banking (Foreign) Exchange Regulations 1959* (Cth);
 - (ii) *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
 - (iii) *Charter of the United Nations (Sanctions – Iraq) Regulations 2006* (Cth);
 - (iv) *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001* (Cth); or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for your Accepted Shares, or would make it unlawful for GPG to provide any consideration to you for your Accepted Shares, you will not be entitled to receive any consideration for your Accepted Shares until all requisite authorities, clearances or approvals have been received by GPG. As far as GPG is aware, as at the date of this Bidder's Statement, the persons to whom this **section 12.6(e)** will apply are:

- (i) prescribed supporters of the former government of Yugoslavia;
- (ii) ministers and senior officials of the Government of Zimbabwe;
- (iii) persons associated with the former government of Iraq (including senior officials, immediate family members of senior officials, or an entities controlled by any of those persons);
- (iv) Osama bin Laden;
- (v) the Taliban;
- (vi) members of the Al Qaida organisation; and
- (vii) a person named in the list maintained pursuant to paragraph 2 of Resolution 1390 of the Security Council of the United Nations.

12.7 Condition of this Offer

Subject to **section 12.8**, the completion of this Offer and any contract that results from an acceptance of this Offer, is subject to the fulfilment of the condition set out below:

No prescribed occurrences

Between the Announcement Date and the date 3 business days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (i) Tandou converting all or any of the Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (ii) Tandou or a subsidiary of Tandou resolving to reduce its share capital in any way;
- (iii) Tandou or a subsidiary of Tandou:
 - (A) entering into a buyback agreement; or
 - (B) resolving to approve the terms of a buyback agreement, under subsections 257C(1) or 257D(1) of the Corporations Act;
- (iv) Tandou or any company in which Tandou holds more than 50% of the issued shares making an issue of Shares or granting an option over the Shares or agreeing to make such an issue or grant such an option;
- (v) Tandou or a subsidiary of Tandou issuing, or agreeing to issue, convertible notes;
- (vi) Tandou or a subsidiary of Tandou disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Tandou or a subsidiary of Tandou charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (viii) Tandou or a subsidiary of Tandou resolving that it be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Tandou or of a subsidiary of Tandou;
- (x) the making of an order by a court for the winding up of Tandou or of a subsidiary of Tandou;
- (xi) an administrator of Tandou or of a subsidiary of Tandou being appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Tandou or a subsidiary of Tandou executing a deed of company arrangement; or
- (xiii) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in

relation to the whole, or a substantial part, of the property of Tandou or of a subsidiary of Tandou.

12.8 Nature and benefit of conditions

- (a) The condition in **section 12.7** is a condition subsequent. The non fulfilment of the condition subsequent does not, until the end of the third business day after the end of the Offer Period, prevent a contract to sell your Accepted Shares from arising, but entitles GPG by written notice to you, to rescind the contract resulting from your acceptance of this Offer.
- (b) Subject to the Corporations Act, GPG alone is entitled to the benefit of the condition in **section 12.7**, or to rely on any non fulfilment of any of them.

12.9 Freeing the Offer of condition

GPG may free this Offer, and any contract resulting from its acceptance, from the condition in **section 12.7**, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Tandou and to ASX declaring this Offer to be free from the relevant condition specified, in accordance with section 650F of the Corporations Act. This notice may be given not later than three business days after the end of the Offer Period.

If, at the end of the third business day after the end of the Offer Period, the condition in **section 12.7** has not been fulfilled and GPG has not declared the Offer (or it has not become) free from that condition, all contracts resulting from the acceptance of the Offer will be automatically void.

12.10 Notice on status of condition

The date for giving the notice on the status of the condition required by section 630(1) of the Corporations Act is [•] 2010 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

12.11 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, GPG will give notice of the withdrawal to ASX and to Tandou and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, this Offer has been freed from the condition in **section 12.7**, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time this Offer is withdrawn, the Offer remains subject to the condition in **section 12.7**, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant condition have occurred).

- (d) A withdrawal pursuant to this **section 12.11** will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date those conditions are satisfied.

12.12 Variation of this Offer

GPG may vary this Offer in accordance with the Corporations Act.

12.13 No stamp duty or brokerage charges

- (a) GPG will pay any stamp duty on the transfer of your Accepted Shares to it.
- (b) As long as your Accepted Shares are registered in your name and you deliver them directly to GPG, you will not incur any brokerage charges in connection with your acceptance of this Offer.

12.14 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

13 Definitions and interpretation

13.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below.

\$ or A\$ means Australian dollars, the lawful currency of the Commonwealth of Australia.

Acceptance Form means the acceptance form enclosed with this Bidder's Statement.

Announcement Date means the date of the announcement of the offer to acquire shares in Tandou by GPG, being 15 February 2010.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited ABN 49 008 504 532.

ASTC Settlement Rules means the operating rules of the ASTC which govern the administration of the Clearing House Electronic Subregister System.

ASX means ASX Limited ABN 98 008 624 691.

Bidder's Statement means this document, being the statement of GPG under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Business Day means a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.

CGT means capital gains tax.

CHESS stands for the Clearing House Electronic Subregister System operated by ASTC.

CHESS Holding means a holding of Shares which are registered on the Tandou CHESS subregister being a register administered by ASTC and which records uncertificated holdings of Shares.

Controlling Participant means in relation to Your Shares, has the same meaning as in the ASTC Settlement Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

GPG means GPG (No.4) Pty Limited ACN 074 562 342.

GPG Australia means Guinness Peat Group (Australia) Pty Limited ABN 13 052 245 191.

GPG Finance means GPG (Australia Finance) Pty Limited ABN 45 054 400 734.

GST has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Guinness Peat means Guinness Peat Group plc, a company registered in England and Wales with company number 103548 and listed on the London, New Zealand and Australian securities exchanges.

Holder Identification Number has the same meaning as in the ASTC Settlement Rules.

Issuer Sponsored Holding means a holding of Shares on the Tandou issuer sponsored subregister.

London Stock Exchange means London Stock Exchange plc.

Marketable Parcel means a holding of Tandou Shares with a value of not less than \$500 based on the ASX closing price for Tandou Shares on the date of your acceptance of the Offer.

Offer or **GPG's Offer** means the offer for Shares under the terms and conditions contained in **section 12** of this Bidder's Statement.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with **section 12.2** of this Bidder's Statement.

Option means a non-voting option to acquire a fully paid ordinary share in the capital of Tandou.

Participant means an entity admitted to participate in the Clearing House Electronic Subregister system under Rules 4.3.1 and 4.4.1 of the ASTC Settlement Rules.

Partly Paid Share means a partly paid ordinary share in the capital of Tandou.

Proportional Offer means the offer by GPG to each Tandou shareholder to acquire up to 50% of their Shares on the terms and conditions set out in the

bidder's statement dated 18 September 2009 and the notices of variation issued by GPG on 29 October 2009, 27 November 2009 and 14 January 2010.

Register Date means the date set by GPG under section 633(2) of the Corporations Act, being 7.00 pm (Sydney time) on [•] 2010.

Rights means all accreditations, rights or benefits of whatever kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Tandou or any of its subsidiaries).

Security Holder Reference Number has the same meaning as in the ASTC Settlement Rules.

Share or **Tandou Share** means a fully paid ordinary share in the capital of Tandou.

Share Registrar means Registries Limited ACN 003 209 836.

Takeover Transferee Holding has the same meaning as in the ASTC Settlement Rules.

Tandou means Tandou Limited ACN 001 014 562.

Tandou Board means the board of directors of Tandou.

UK Listing Authority means the United Kingdom Listing Authority, being the Financial Services Authority of the United Kingdom acting in its capacity as the competent authority for listing in accordance with the *Financial Services and Markets Act 2000* (UK), as modified or re-enacted from time to time.

Your Shares means subject to **section 12.1(f)** and **section 12.1(g)**, the Shares:

- (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Tandou on the Register Date; or
- (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

13.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Sydney, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

13.3 Headings

Headings are for ease of reference only and do not affect the interpretation of this Bidder's Statement.

14 Approval of Bidder's Statement

Signed on behalf of GPG (No.4) Pty Limited by a person authorised to sign this Bidder's Statement pursuant to a resolution passed by the directors on 15 February 2010.

Date:

Signed for and on behalf of
GPG (No.4) Pty Limited by



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Philip Tunstall
Company Secretary