



Monday, 18 January 2010

GPG ANNOUNCES FINAL OFFER EXTENSION
THE BOARD OF TANDOU CONTINUES TO RECOMMEND REJECTION
OF GPG'S PROPORTIONAL OFFER

Tandou Limited (ASX:TAN) advises that on Friday, 15 January 2010 it received notice from GPG (No.4) Pty Limited (**GPG**), a wholly owned subsidiary of Guinness Peat Group (Australia) Pty Ltd, that it has varied its proportional takeover offer of 30 cents per share for up to 50% of each shareholder's shares (**Proportional Offer**) dated 6 October 2009 with a **FINAL EXTENSION** of the offer period until 7:00pm (Sydney time) on 15 February 2010.

The Board of Tandou continues to unanimously recommend that shareholders **REJECT the unsolicited proportional takeover offer from GPG**. The Target's Statement issued by Tandou on 20 October 2009 sets out in detail the Board's reasons for rejecting the Proportional Offer.

Tandou Chairman, Mr Dick Warburton, said "The Board of Tandou cannot see any logic in GPG's extension of its Proportional Offer which is quite clearly unattractive to Tandou's shareholders, having obtained less than 1% of acceptances over the past 3.5 months. We are relieved that GPG has finally put a deadline on its Proportional Offer. To further evidence its lack of appeal, the company's largest shareholder, Volcot Holdings Ag, with 30.59% of Tandou shares, has advised the Tandou Board that it will **NOT ACCEPT** GPG's Proportional Offer. The Tandou Board continues to recommend rejection of the Proportional Offer."

Mr Warburton added "As a company we are getting on with running the business and executing the strategy articulated in the Target's Statement by disposing of non-core assets and accumulating a valuable portfolio of water assets. In this respect, in the past 6 weeks, we have executed contracts for the sale of Nexteq as well as the purchase of 3,091 megalitres of Victorian High Reliability water entitlements, both of which were announced last month. The Board of Tandou is focused on creating shareholder value."

Put simply, Mr Warburton said, "Why would any rational shareholder sell 50% of their shares to GPG at such a significant discount to underlying value when GPG has:

- **Not** clearly articulated, if it were to gain control of Tandou, how and over what time frame, it may increase shareholder value for Tandou shareholders; and
- **Not** made a full offer for each shareholder's shares at a fair price.

This is clearly an attempt to acquire control of Tandou on the cheap!"

TO REJECT GPG'S PROPORTIONAL OFFER SHAREHOLDERS SHOULD SIMPLY IGNORE ANY CORRESPONDENCE FROM GPG AND TAKE NO ACTION.

The further extension of the Proportional Offer by GPG gives those Tandou shareholders who have validly accepted the Proportional Offer, the right to withdraw their acceptances. If you have accepted the Proportional Offer and would like to exercise your right to withdraw your acceptance and need further information on how to do so, please contact your legal, financial or other professional adviser or telephone the Tandou Shareholder Information line on 1800 648 622.

Yours sincerely



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 85,000 hectares near Menindee NSW, 250 km north of its Mildura corporate office. Over time Tandou has invested in water entitlements and currently owns over 33 gigalitres strategically held across various river systems in the Murray Darling Basin. In addition to trading water entitlements and allocations 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.