

4 March 2010

CONFIRMATION OF DISPATCH OF BIDDER'S STATEMENT FROM GPG
TANDOU'S BOARD CONTINUES TO REJECT GPG'S OFFER

GPG (No. 4) Pty Limited (**GPG**) advised Tandou Limited (**Tandou**) on Tuesday 2 March 2010 that its Bidder's Statement relating to its takeover offer of 33 cents per share for each shareholder's shares in Tandou has been dispatched to Tandou shareholders (**Offer**).

The Offer has not been solicited by Tandou. The Board of Tandou recommends that shareholders **REJECT THE OFFER**.

The Target's Statement is expected to be sent to Tandou shareholders in approximately two weeks time and will set out the Tandou Board's formal response to the offer. Shareholders will then have at least two weeks (or possibly more time) to make a decision to reject or accept the Offer before it closes.

Your Directors are unanimous in their belief that the Offer of 33 cents, while it represents an increase in price from the unsuccessful prior proportional offer from GPG, remains at a **SIGNIFICANT DISCOUNT** to the underlying fundamental value of Tandou Shares of 64 cents, as set out in the Company's recently announced Preliminary Final Report for the year ended 31 December 2009. Given the recent substantial rains in northern New South Wales and southern Queensland, the Board further believes the prospects for the Company have since improved.

Dick Warburton, Chairman of Tandou, said "This new Offer from GPG still fails to recognise the longer term strategic value of Tandou's assets, as well as the improved trading and operational outlook from the increase in water allocations for Tandou's Lower Darling water entitlements and, more recently, the flooding rains in southern Queensland that are expected to reach Menindee Lakes."

At this time the Board recommends that Tandou shareholders **TAKE NO ACTION**. The Board will keep shareholders informed in relation to GPG's unsolicited Offer and provide its formal response in the Target's Statement.

To assist with queries Tandou has also set up an Offer Information line. Shareholders and investors are advised to call 1800 648 622 (callers within Australia) or +61 2 8256 3377 (callers outside Australia).

Yours sincerely



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CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR
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TANDOU LIMITED
ABN 81 001 014 562

About Tandou Limited:

Tandou Limited (ASX:TAN) is a modern Australian agribusiness and water company 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 36 gigalitres strategically held across various river systems in the Murray Darling Basin. In addition to trading water entitlements and allocations Tandou combines traditional farming 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 farm management and development services.