



Thursday, 8 April 2010

Dear Shareholder

**RESPONSE TO GPG'S LETTER DATED 30 MARCH 2010  
TANDOU'S BOARD CONTINUES TO REJECT GPG'S TAKEOVER OFFER**

You will have recently received a letter from GPG dated 30 March 2010 in regard to GPG's takeover offer of 33 cents per share for each share in Tandou (**Takeover Offer**).

Your Directors are unanimous in their belief that the Takeover Offer is unattractive, and should be **REJECTED** by Tandou Shareholders as it represents a **SIGNIFICANT DISCOUNT** to the underlying fundamental value of Tandou shares of 62 to 66 cents.

As previously announced by Tandou, funds managed by Ecofin and Water Asset Management have recently acquired 30.6% of Tandou's shares at prices in excess of GPG's Takeover Offer of 33 cents, which demonstrates that they perceive value in Tandou shares above the Takeover Offer and vindicates the Board's recommendation that shareholders should reject GPG's Takeover Offer.

Directors' are also pleased to report that for the first since 2001, water has started flowing again into Lake Menindee and, with that, the prospects for the Company to receive positive water allocations over the next two seasons have been greatly improved. This enables the Board and management to consider planting a significant area of cotton, an option it has not had for many years, or alternatively, to continue trading available allocations on the water market.

To REJECT GPG's inadequate offer, you should take no action. You should simply ignore GPG's letter dated 30 March 2010, GPG's Bidder's Statement and all other documents sent to you by GPG regarding its Takeover Offer. The Board will continue to keep shareholders informed of all material developments relating to this Takeover Offer.

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

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

**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.*