



Friday, 28 May 2010

GPG NOTIFIES OF OFFER EXTENSION
THE BOARD OF TANDOU CONTINUES TO RECOMMEND
REJECTION OF THE OFFER

Tandou Limited advises that it today 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 takeover offer of 33 cents per share dated 2 March 2010 (**Offer**) by extending the offer period so that the Offer will remain open for acceptance until 7:00pm (Sydney time) on 5 July 2010.

The Board of Tandou continues to recommend that shareholders **REJECT the unsolicited takeover offer from GPG**. The Target's Statement issued by Tandou on 17 March 2010 sets out in detail the Board's reasons for rejecting the Offer.

GPG's Offer has been open for acceptances since 2 March 2010 at which time GPG had a relevant interest in 20.67% of Tandou's shares. GPG released an ASX announcement on 20 May 2010 stating that its relevant interest in Tandou shares had increased to 22.25%, an increase of less than 1.6% indicating that the Offer has received very little traction with Tandou shareholders.

Dick Warburton, Chairman of Tandou, said "The Tandou Board continues to believe that GPG's offer does not adequately reflect the fundamental value of Tandou shares. The offer is a costly distraction for the Company and clearly not attractive to shareholders, given the low level of acceptances received to date".

TO REJECT GPG'S OFFER SHAREHOLDERS SHOULD SIMPLY TAKE NO ACTION.

Yours sincerely

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