Dear Shareholder

POSSIBLE TAX IMPLICATIONS FOR SALE OF PRE-CAPITAL GAINS TAX ("CGT") SHARES

Generally when a taxpayer who holds their shares on capital account disposes of pre-CGT shares (these are shares that you acquired before 20 September 1985) the CGT regime does not apply and therefore no taxable gain or loss arises from the disposal. However if the market value of property acquired by the Company post 20 September 1985 (post-CGT) is at least 75% of its net value at the time of that disposal, then a CGT event can happen. This CGT event is known as K6.

If CGT event K6 happens, there will only be a capital gain where the capital proceeds received from your shares can be said to be attributable to a gain on post-CGT property owned by Golden Circle Limited (GCL). Shareholders cannot make a capital loss from CGT event K6.

As GCL no longer has share trading restrictions (i.e. shareholders are no longer restricted to growers), the impact of this CGT event on shareholders will become more relevant as more pre-CGT shares are disposed.

For this reason, GCL approached the Australian Taxation Office ("ATO") for guidance on what it considers to be an acceptable methodology, based on GCL's circumstances, for determining the market value of GCL's post-CGT property for the purposes of calculating any capital gain arising for shareholders from CGT event K6.

GCL's current testing indicates that if you disposed of GCL pre-CGT shares in the year ended 30 June 2008, no capital gain should be attributed to the transaction.

Please note the above is only general comments on your possible tax implications and does note take into consideration your particular circumstances. GCL has not provided any taxation advice, nor is it responsible for any ongoing taxation advice. GCL strongly recommends each shareholder obtain independent professional taxation advice.

Kind regards

P.J. Cave

Phil Cave AM
Chairman