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**COMPANY ANNOUNCEMENTS PLATFORM  
AUSTRALIAN STOCK EXCHANGE**

**EVANS & TATE ENTERS INTO AGREEMENT TO RESTRUCTURE  
BALANCE SHEET**

Evans & Tate Limited ("Evans & Tate" or the "Company") is pleased to announce that it has today executed a binding heads of agreement with its bank, ANZ, to restructure the Company's balance sheet as part of its turnaround strategy.

The restructure plan will reduce Evans & Tate's interest-bearing debt to sustainable levels and position the Company to execute its strategic and operational plans.

Under the heads of agreement, relevant security holders of the Company will be invited to meet and asked to approve (in their relevant classes):

- the issue of 409,090,909 shares to ANZ and a strategic third party co-investor, yet to be identified and referred to further below, at 11 cents per share to raise \$45 million;
- the issue of a further 20,454,545 shares to ANZ, also valued at 11c each, as a 5% placement fee for introducing the strategic third-party co-investor and in lieu of a cash payment;
- the conversion of the convertible notes into ordinary shares at a conversion ratio of 4.18 ordinary shares for each note (which equates to a notional conversion rate of \$0.46 per convertible note and an issue price of 11 cents per ordinary share);
- the conversion of WInES into ordinary shares at a ratio of 2 ordinary shares for each WInES as contemplated by the WInES prospectus.

The proceeds of the capital raising will be used to repay \$45million of the Company's existing debt to ANZ, and reduce that debt to approx. \$55million with facilities of approx. \$60m being retained. The final debt reduction and facilities amounts will be determined at completion.

ANZ will endeavour to secure an appropriate financial and strategic third-party co-investor, and the involvement of the co-investor will be agreed between the ANZ and the Company. Unless otherwise agreed, it is intended that the co-investor participate equally with ANZ. Following the placement to ANZ and the co-investor, the Company will undertake a share purchase plan to raise up to an additional \$5million. The proceeds of the share purchase plan will be used to further reduce the Company's debt.

Evans & Tate security holders will be provided with full information and independent expert's opinions for each class of security holders to allow them to consider the restructure proposal. It is envisaged that the meetings will be held in July or August 2007.

The heads of agreement is also conditional on ANZ obtaining all necessary regulatory approvals, and approval from its Credit and Trading Risks Committee. ANZ is required to seek to obtain these as soon as practicable.

The arrangement reflected in the heads of agreement is an exclusive arrangement, subject to the ability of either party to accept a superior offer if presented to it.

Chairman John Hopkins said "The Company is delighted to have secured the support of ANZ for the proposed restructure. This marks a significant step in the turnaround strategy for the Company. We are grateful that ANZ has been willing to share our vision for the future of Evans & Tate and that, with the support of ANZ, we have been able to provide an opportunity for all stakeholders to participate in the rewards of the turnaround strategy"

Evans & Tate Managing Director Martin Johnson added, "This agreement will provide a sound and solid financial platform for Evans & Tate to move forward as a high quality, premium winemaking company centred on the Margaret River in Western Australia."

Mr Hopkins said that "In the meantime, ANZ has reaffirmed that so long as stakeholders are supportive of the restructure plan, it is ANZ's current intention to support Evans & Tate and to continue to provide financial facilities to enable Evans & Tate to carry on its day-to-day operations".

**Michael Silbert**  
**Company Secretary**

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