

16 April 2015

ASX Limited
Company Announcements Office
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Webster Limited (ACN 009 476 000) (ASX: WBA) – Takeover Bid for Tandou Limited (ACN 001 014 562) (ASX: TAN)

We refer to the takeover bid announced on 27 February 2015 for the acquisition by Webster Limited (ACN 009 476 000) (**Webster**) of all of the ordinary shares in Tandou Limited (ACN 001 014 562) (**Tandou**) for 1 Webster Share for every 2.25 fully paid Tandou Shares (**Offer**). The Offer also extends to partly paid Tandou Shares and will be pro rated based on the paid up value of the relevant partly paid Tandou Shares.

I attach, in accordance with section 633(1) item 5 of the *Corporations Act 2001* (Cth), a copy of a bidder's statement (**Bidder's Statement**) issued by Webster in relation to the Offer.

The Bidder's Statement was lodged with the Australian Securities and Investments Commission and sent to Tandou Limited earlier today.

Yours faithfully



Roderick James Roberts
Director

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Bidder's Statement

Off-Market Offer – recommended acceptance

By

Webster Limited
(ACN 009 476 000)

to acquire all of your shares in

Tandou Limited
(ACN 001 014 562)

The Directors of Tandou Limited have recommended that you **ACCEPT** the Offer in the absence of a Superior Proposal

This is an important document and requires your immediate attention.

If you are in any doubt as to how to deal with it, you should consult your financial or other professional adviser.

To accept this Offer please complete the enclosed Acceptance Form and return to Computershare.

The Offer is dated 2015 and will expire at 7:00pm (Sydney time) on 2015 unless earlier withdrawn or extended. ASIC takes no responsibility for this Bidder's Statement.



Solicitors to the Offer

Important Information

Key Dates

Event	Date
Date of Bidder's Statement	16 April 2015
Offer opens (date of Offer)	2015
Date of Offers conditions notice*	2015
Close of Offers*	2015

* This date is indicative only and may be changed as permitted by the Corporations Act.

Bidder's Statement and Offer

This is the Bidder's Statement dated 16 April 2015 given by Webster to Tandou and each holder of Tandou Shares under Part 6.5 of Chapter 6 of the Corporations Act.

This Bidder's Statement was approved by a unanimous resolution of the Board of Webster. It includes an Offer for the Tandou Shares dated April 2015.

The Offer extends to Tandou Shares on issue on 16 April 2015 and any Tandou Shares issued during the Offer Period.

ASIC

A copy of this Bidder's Statement was lodged with ASIC and ASX on 16 April 2015. None of ASIC, ASX or their officers take any responsibility for the contents of this Bidder's Statement.

Investment decision

This is an important document. This Bidder's Statement does not take into account the individual investment objectives, financial situation or any particular needs of each Tandou Shareholder or any other person. Tandou Shareholders may wish to seek independent financial and taxation advice before making a decision as to whether to accept the Offer.

Forward looking statements

Except for historical information contained in this Bidder's Statement, there may be matters discussed in this Bidder's Statement that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainty. Those risks and uncertainties include factors and risks specific to the industry in which Webster and Tandou operate as well as general economic conditions and prevailing exchange rates and interest rates. Actual events or results made differ materially. For a discussion of important risk factors which could cause actual results to differ materially from such forward-looking statements, refer to Section 11 of this Bidder's Statement.

None of Webster's officers, any person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or

implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, accept to the extent required by law.

Tandou, Bengerang and Merged Group

The information in this Bidder's Statement concerning Tandou has been prepared by Webster using publicly available information and information made available to Webster by Tandou and has not been independently verified. Accordingly, Webster does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information in this Bidder's Statement concerning Bengerang has been prepared by Webster using publicly available information and information made available to Webster by the Bengerang Vendors and has not been independently verified.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Tandou and the Bengerang assets, has been prepared using publicly available information and information made available to Webster and has not been independently verified. Accordingly, information in relation to the Merged Group is subject to the above disclaimer to that extent.

Further information relating to Tandou may be included in Tandou's target statement which will be sent to you by Tandou.

Offers outside Australia

Tandou Shareholders should note that the consideration under the Offer is securities of Webster, an Australian public company listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries. Foreign Ineligible Shareholders will not be entitled to receive Webster Shares on acceptance of the Offer (unless Webster determines otherwise). Foreign Ineligible Shareholders who accept the Offer will receive a cash amount calculated in accordance with Section 15 of this Bidder's Statement.

This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement to or from any person where, or in any jurisdiction in which, the issue, sale or purchase of such securities would be unlawful. The distribution of this Bidder's Statement to persons or in jurisdictions outside Australia may be

restricted by law and any person into whose possession this Bidder's Statement comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. The Webster Shares have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States or to, or for the account of or benefit of, US persons except pursuant to an exemption from such registration requirements. Accordingly neither this Bidder's Statement nor the Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States, except in compliance with the requirements of an exemption from such registration requirements.

Number of Webster Shares

All references in this Bidder's Statement to Webster Share numbers assume completion of the Bengarang Acquisition, unless stated otherwise.

Defined terms

Defined terms used in this Bidder's Statement are capitalised. Definitions of these terms are set out in Section 16. Unless the contrary intention appears, the

context requires otherwise or words are defined in Section 16, words and phrases in the Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Privacy

Webster has collected your personal information from the register of Tandou Shareholders for the purposes of making the Offer. The Corporations Act requires the names and addresses of Tandou Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Webster's related bodies corporate and holders of securities in Webster and its related bodies corporate, service providers and advisers, and may be required to be disclosed to regulators such as ASIC.

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Chairman's Letter

Dear Tandou Shareholder

On 27 February 2015, Webster Limited (**Webster**) announced its intention to make an off-market scrip offer to acquire all of the shares in Tandou Limited (**Tandou**).

Details of the Offer

The Offer of 1 Webster Share for every 2.25 fully paid Tandou Shares is made for all of your Tandou Shares. The Offer also extends to Partly Paid Tandou Shares, in which case, the Offer Consideration will be pro rated based on the paid up value of the relevant Partly Paid Tandou Shares. See Section 2.2 for details.

The Offer implies an equity value of approximately \$114 million to Tandou or approximately \$0.58 per Tandou Share (based on the closing price of Webster Shares on 26 February 2015 of \$1.30), representing a premium of 22% to the closing price of Tandou Shares on ASX on 26 February 2015 (the day before the Offer was announced).

The Offer is conditional on Webster acquiring a Relevant Interest in at least 50.1% of the issued capital of Tandou, Webster Shareholder approval and certain other customary conditions, including there being no material adverse change, receipt of foreign investment approval (to the extent required) and no prescribed occurrences. See Section 15.8 for further details of the conditions.

Rationale

Webster believes that Tandou's relatively small size and lack of geographic and product diversity has made it difficult for Tandou to compete for and fund the acquisition of larger agribusiness assets. By accepting the Offer, Tandou Shareholders will become shareholders of a larger, more diversified, agribusiness and water group (assuming the Offer becomes unconditional).

We have summarised on the following pages why Webster believes that a combination of Tandou and Webster makes sense and is expected to generate value for security holders of both companies.

The combined Webster and Tandou business (**Merged Group**¹) is expected to:

- be a substantial diversified agricultural and water company;
- hold an attractive portfolio of water entitlements, which will provide Webster with increased water security, provide greater opportunities for Webster to expand both existing walnut, cotton and other annual cropping production and also take advantage of opportunities to further diversify horticultural crops;
- have enhanced scale and market presence with the financial strength to pursue future growth;
- have a board and management team with a proven track record of delivering shareholder value; and
- have increased scale, market relevance and trading liquidity.

¹ The Merged Group assumes that Tandou is a wholly owned subsidiary of Webster. This will occur in circumstances where Webster receives acceptances of not less than 90% of Tandou Shares under the Offer and moves to compulsorily acquire the balance of Tandou Shares outstanding. Unless expressly stated, the Merged Group does not include Bengierang.

Offer made in parallel with Bengering Acquisition

The Offer is being made in parallel with a proposed acquisition by Webster of Bengering Limited (**Bengering**), a large scale cotton farming operation located in Northern NSW, together with approximately 58,000 ML of water entitlements (**Bengering Acquisition**). The consideration for the Bengering Acquisition is the issue of approximately 107.7 million Webster Shares at a value of \$1.15 per Webster Share. See Section 4 for information about Bengering and Section 14.2 for a summary of the Bengering share purchase agreement.

The Bengering Acquisition and Offer (for Tandou) are **not** interconditional. If the Bengering Acquisition proceeds, Bengering will become a wholly owned subsidiary of Webster. Webster believes that the increased size and scale of the Merged Group (including Bengering) will enhance each of the outcomes identified above.

Section 9 of this Bidder's Statement provides details of the Merged Group, both including and excluding Bengering.

Merger Implementation Agreement

The Offer and its implementation is governed by a merger implementation agreement (**MIA**) which was signed by Tandou and Webster on 27 February 2015. The MIA includes mutual break fees of \$800,000 in certain circumstances, exclusivity arrangements and other customary clauses. In addition, should Webster achieve a Relevant Interest in at least 50.1% of Tandou Shares and the Offer becomes unconditional, Webster will appoint a Tandou non-executive Director (nominated by Tandou) to the Webster Board to represent the interests of Tandou Shareholders. See Sections 14.1 and 15 for further details.

Recommended Offer

The Directors of Tandou unanimously recommend that Tandou Shareholders **ACCEPT** the Offer in the absence of a Superior Proposal. The above recommendation was made by the Tandou board regardless of whether or not the Bengering Acquisition proceeds.

Given the significance of the proposed acquisitions of both Bengering and Tandou, Tandou Directors appointed an independent expert to provide a report as to whether or not the proposed Offer is fair and reasonable to non-associated Tandou Shareholders. The Tandou expert concluded that the Offer is fair and reasonable.

Risk

An investment in Webster, following acceptance of the Offer, is not without risk. These risks include agricultural risks which can impact crop yield, commodity prices and consequently earnings (these include climate and seasonal conditions, pest and disease, commodity prices and currency variations) and business risks that can prevent normal business operations being carried out in an efficient and cost effective manner (including interest rate movements, access to funding, retention of key management personnel, and government policy intervention). Tandou Shareholders are presently exposed to these risks through their investment in Tandou. In deciding whether to accept the Offer, you should consider the risk factors outlined in Section 11.

How to accept

If you choose to accept the Offer you can either direct your Broker to accept the Offer on your CHES holding on your behalf, or complete and sign the enclosed Acceptance Form and return it in the reply paid envelope so that it is received before the closing date.

The Offer is scheduled to close at 7:00pm (Sydney time) on

2015.

More information

It is important that you read the information in this Bidder's Statement in deciding on our Offer and if necessary, contact a qualified investment adviser for assistance.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of loops and a long, wavy horizontal line extending to the right.

Mr Roderick Roberts
Chairman
Webster Limited

Summary of the Offer

The information set out below is only a summary of the Offer. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

The Bidder	Webster is the company making the Offer.
The Offer	Webster is offering to acquire all of your Tandou Shares and Partly Paid Tandou Shares.
Offer Consideration	<p>You are offered:</p> <ul style="list-style-type: none"> (a) 1 Webster Share for every 2.25 fully paid Tandou Shares; (b) 1 Webster Share for every 225 Partly Paid Tandou Shares paid up to \$0.01; and (c) 1 Webster Share for every 11.25 Partly Paid Tandou Shares paid up to \$0.20.
Closing date	The Offer is scheduled to close at 7:00pm (Sydney time) on 2015 (but it may be extended).
Conditions	<p>The Offer is subject to the Conditions set out in Section 15.8 of this Bidder's Statement. These Conditions are:</p> <ul style="list-style-type: none"> (a) Webster Shareholders approve the Tandou Resolutions; (b) the number of Tandou Shares in which Webster and its Associates have a Relevant Interest at the expiry of the Offer Period is not less than 50.1% of the Tandou Shares then on issue; (c) the Foreign Investment Review Board approves the Tandou Acquisition or the Treasurer of the Federal Government becomes precluded from making an order in respect of it; (d) Tandou does not materially breach its obligations under the merger implementation agreement; (e) except for any proposed transaction publicly announced by Tandou before 27 February 2015 or otherwise agreed with Webster, Tandou does not: <ul style="list-style-type: none"> (i) offer to acquire, agree to acquire or acquire one or more companies, business or assets (or interests in them) for an amount in aggregate greater than \$1,000,000 or make an announcement in relation to such an acquisition, offer or agreement outside the ordinary course of business; (ii) complete, enters into, offer to enter into or agree to enter into any agreement, joint venture, partnership or commitment which would require expenditure, or the foregoing of revenue by Tandou of an amount which: <ul style="list-style-type: none"> (A) is, in aggregate, more than \$1,000,000, other than in the ordinary course of business or makes an announcement in relation to such an entry, offer or agreement; or (B) results in the book value of all water rights held by Tandou falling below \$57.3 million; (f) no person that has a right as a result of any change in control in respect of Tandou to terminate or alter any material contract relating to Tandou or require the sale of any securities in Tandou exercises that right or notifies Tandou that it intends to exercise that right;

- (g) no material adverse change occurs in respect of Tandou;
- (h) no material litigation or arbitration proceedings have been or are instituted or threatened against Tandou;
- (i) there is no regulatory intervention that would prohibit, prevent or inhibit the acquisition of, or trading in, Tandou Shares, impose conditions on the Offer or require the divestiture by Webster of securities or assets of Tandou; and
- (j) No prescribed occurrences occur in relation to Tandou.

The above is only a summary. The full terms of these Conditions are set out in Section 15.8(a) of this Bidder's Statement.

Webster may choose to waive any of the Conditions in accordance with the Offer.

The Offer is also subject to a statutory condition that:

- (a) an application for admission of Webster Shares to be issued under this Offer to quotation on ASX is made within 7 days after commencement of the Offer Period; and
- (b) permission for admission of Webster Shares to be issued under this Offer to quotation on ASX is granted no later than 7 days before the expiry of the Offer Period.

Webster may not waive this statutory condition.

Settlement terms

If you accept the Offer, Webster Shares will be issued to you on the later of:

- 1 month after the date you validly accept the Offer; or
- 1 month after the date the Offer becomes or is declared unconditional,

and in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.

How to accept the Offer

CHESS Holdings

If your Tandou Shares are in a CHESS Holding, to accept you must either:

- instruct your controlling participant (usually your Broker) to accept the Offer on your behalf; or
- complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

Issuer Sponsored Holdings

If your Tandou Shares are in an Issuer Sponsored Holding, to accept you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

Signed Acceptance Forms must be received before the end of the Offer Period at:

GPO BOX 52, Melbourne Victoria, 3001 A business reply-paid envelope is enclosed.

No stamp duty

You will not pay any stamp duty on accepting the Offer.

Further information

For questions about your Tandou Shares, the Offer or how to accept the Offer please refer to the remainder of this Bidder's Statement.

Reasons Why You Should Accept the Offer

1. **The Offer represents an attractive premium for your Tandou Shares**
2. **You will gain exposure to a larger, more diverse, agribusiness**
3. **Webster has the scale, financial strength and management expertise to enhance the value of your continuing indirect investment in Tandou's assets**
4. **You may benefit from increased liquidity and scale**
5. **Acceptance of the Offer is recommended by Tandou Directors in the absence of a Superior Proposal**
6. **Tandou Shareholders may be eligible for tax rollover relief**
7. **Tandou Share price may fall if the Offer lapses**
8. **There is no Superior Proposal or alternative offer for your Tandou Shares**
9. **You may risk becoming a minority Tandou Shareholder if you do not accept the Offer**

Risk factors

In deciding whether to accept the Offer, you should consider the risk factors outlined in Section 11.

The Offer is subject to Conditions

The Offer is subject to a number of Conditions which are summarised in Section 2 and set out in full in Section 15. There is a risk that some of these Conditions may not be satisfied or waived and that, as a result, the Offer does not become unconditional. In this event, Tandou Shareholders who accept the Offer will not receive the Offer Consideration and will retain their Tandou Shares.

1. Reasons Why You Should Accept the Offer

1.1. The Offer represents an attractive premium for your Tandou Shares

Based on the Webster closing price of \$1.30 per Webster Share on 26 February 2015 (the last trading day prior to the announcement of the Offer), the Offer Consideration equates to \$0.58 per Tandou Share and values Tandou at approximately \$114 million.

Webster is offering a significant premium above recent historical trading prices for Tandou Shares. Tandou Shares traded at an average price of approximately \$0.43 during the half year to 31 December 2014. Tandou Shares have not traded above the implied price of \$0.58 per Tandou Share during the 7 years prior to the Announcement Date.

If you accept the Offer and the Offer is declared unconditional you will receive:

- (a) a premium of 22% to the closing price of Tandou Shares on ASX on the Announcement Date (based on the closing price of Webster Shares on the Announcement Date);
- (b) a premium of 23% to the 3 month volume weighted average price at which Tandou Shares traded on ASX (**VWAP**) (based on the 3 month VWAP of Webster Shares over the same period); and
- (c) a premium of 16% to the 3 month VWAP of Tandou Shares (based on the \$1.15 price attributed to Webster Shares for the Bengerang Acquisition).

1.2. You will gain exposure to a larger, more diverse, agribusiness

Tandou generates the bulk of its revenue from cotton sales and the trading of water entitlements and temporary water allocations. Tandou Shareholders who accept the Offer, assuming it becomes unconditional, will become shareholders in Webster, a larger, more diversified agribusiness.

Webster is the largest walnut producer in Australia with an annual walnut production of approximately 7,000 tonnes per annum from orchards in NSW and Tasmania. In addition to its walnut operations, Webster has large cotton and row cropping operations in Australia with over 11,000 hectares of irrigated land. Webster has a board and management team with a proven track record of delivering shareholder value.

Through the Bengerang Acquisition, Webster expects to further expand its high quality land asset portfolio, acquire significant water entitlements and achieve geographical and climatic diversification together with some cost savings and a more streamlined management structure.¹

If the Bengerang Acquisition proceeds, the Merged Group will:

- own over 42,000 hectares of irrigated land suitable for cotton farming operations and other annual crop farming operations with operations geographically spread across Northern and Southern NSW;
- hold over 240,000 megalitres of water entitlements representing possibly the largest private portfolio of water entitlements in Australia;
- have consolidated Webster's position as one of Australia's larger cotton and irrigated cropping companies, providing additional high quality properties with some geographic diversification and appropriate water resources;
- offer diversification of product exposure across Webster's walnut, cotton and water operations; and
- have enhanced scale and market presence with the financial strength to pursue future growth.

¹ The Offer and the Bengerang Acquisition are **not** interconditional. There is no guarantee that the Bengerang Acquisition will proceed if the Offer becomes unconditional.

1.3. Webster has the scale, financial strength and management expertise to enhance the value of your continued investment in Tandou's assets

Tandou Shareholders who accept the Offer (assuming the Offer become unconditional) will continue to retain an indirect interest in Tandou's businesses and assets through a shareholding in Webster. At the same time, they will be in a position to benefit from the scale and financial capacity offered by Webster.

The Offer complements the existing strategy of Webster and neatly fits with the recently completed Kooba Aggregation purchase and the proposed Bengerang Acquisition.

If the Bengerang Acquisition is successful¹, following completion of the Offer, the Merged Group with Bengerang will:

- have the flexibility to stream higher security water to Webster's orchard estates and grow its cotton and annual cropping with the balance of seasonally available water allocations; and
- have a property portfolio that may support the expansion of Webster's walnut operations and present further opportunities for expansion and diversification of agricultural production.²

Accordingly, the Offer provides Tandou Shareholders with the benefit of owning shares in one of Australia's larger horticulture, cotton and irrigated cropping companies, with significantly increased diversification, scale and liquidity, which should enhance the value of your continuing investment in Tandou.

1.4. You may benefit from increased liquidity and scale

Tandou Shares have for several years continued to trade at a material discount to reported underlying net asset value (around 30%).

Webster believes that Tandou's relatively small size and lack of geographic and product diversity has made it difficult for Tandou to compete for and fund the acquisition of larger agribusiness assets in a highly capital intensive industry. As a result, Webster believes that Tandou has not been able to achieve greater scale and generate the sustainable growth in earnings required to build shareholder value and narrow or eliminate the discount between underlying net assets and the share price.

If the Offer is successful (assuming Webster receives acceptances for 90% or more of the issued Tandou Shares) and Webster completes the Bengerang Acquisition, the Merged Group is expected to have an estimated market capitalisation of approximately \$455 million³.

Importantly, relative to Tandou on its own, the Merged Group should be able to extract more value from the enlarged water portfolio either through trading or by utilising that water to generate the highest return from a broader suite of cropping assets.⁴

In circumstances where the Bengerang Acquisition does not proceed and/or Webster receives acceptances under the Offer for more than 50.1% but less than 90% of Tandou Shares, Webster still expects:

- to offer better economies of scale and superior growth prospects to Tandou; and
- have the capacity to acquire larger assets to build further shareholder value.

¹. The Offer and the Bengerang Acquisition are not interconditional. There is no guarantee that the Bengerang Acquisition will proceed if the Offer becomes unconditional.

². In circumstances where the Bengerang Acquisition does not proceed and/or Webster receives acceptances under the Offer for more than 50.1% but less than 90%, Webster's ability to extract value through streaming higher security water to orchards may be constrained.

³. The expected market capitalisation is based on a price of \$1.30 per Webster Share, being the last price at which Webster Shares traded on ASX on the Announcement Date. The capitalisation following the Offer is dependent on the level of acceptances under the Offer and completion of the Bengerang Acquisition. The Offer is subject to a minimum acceptance condition of 50.1%. Accordingly, the Offer may proceed in circumstances whether more the 50.1% but less than 90% of Tandou Shares are acquired by Webster. The Offer and the Bengerang Acquisition are not interconditional. There is no guarantee that the Bengerang Acquisition will proceed if the Offer becomes unconditional.

⁴. Webster's ability to extract value may be constrained in circumstances where the Offer proceeds but Tandou does not become a wholly owned subsidiary.

The additional scale should provide Webster with more visibility among the investor community and more share liquidity than Tandou on a stand-alone basis.

The Offer provides Tandou Shareholders with a deeper pool of investors and, if you choose to sell your Webster Shareholding, you may find it easier to trade your Webster Shares due to their greater liquidity than if you held Tandou Shares of the same value.

1.5. Recommended Offer

The Tandou Board unanimously recommends that Tandou Shareholders accept the Offer, subject to there being no Superior Proposal.

Given the significance of both the Bengerang Acquisition and the Offer, Tandou Directors appointed an independent expert to opine on whether or not the Offer is fair and reasonable to non-associated Tandou Shareholders. The Tandou expert concluded that the Offer is fair and reasonable.

A copy of this independent expert's report will be provided to Tandou Shareholders together with the Target's Statement.

1.6. Tandou Shareholders may be eligible for tax rollover relief

Provided the pre-conditions for scrip for scrip rollover relief are satisfied (including that Webster acquires 80% or more of the Tandou Shares) Australian tax resident Tandou Shareholders who accept the Offer and who would otherwise derive a capital gain in respect of the exchange of Tandou Shares for Webster Shares should be entitled to choose scrip for scrip rollover relief.

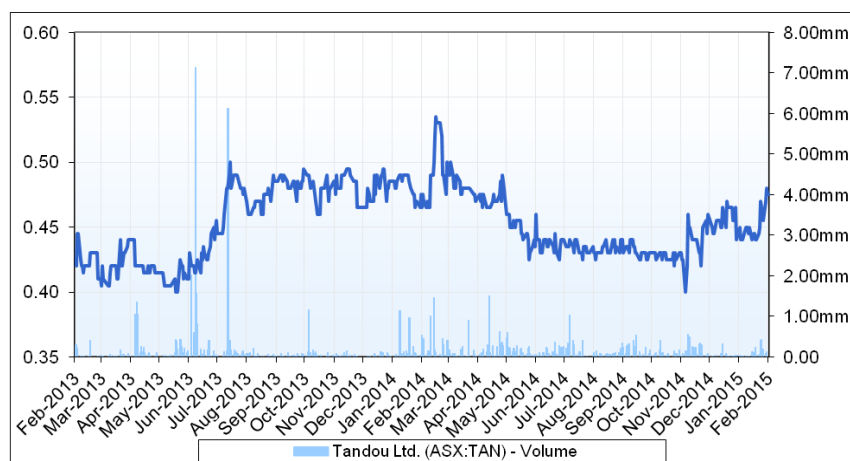
The effect of choosing scrip for scrip rollover relief would be that the capital gain arising from the exchange of the Tandou Shares for Webster Shares would effectively be disregarded for Australian CGT purposes until a later CGT Event happens in respect of the Webster Shares acquired.

Please refer to Section 12 of this Bidder's Statement for a general summary of Australian tax considerations for Tandou Shareholders.

1.7. Tandou Share price may fall if the Offer lapses

While there are many factors that influence the market price of Tandou Shares, there is a risk that Tandou's Share price will fall to levels experienced prior to 26 February 2015 (the day before the Offer was announced), at least in the short-term, if the Offer does not succeed and no other alternative offer or proposal emerges.

The trading price of Tandou Shares on the ASX over the 24 months prior to February 2015 is shown on the graph below.



As permitted by ASIC Class Order 07/429, the table above contains ASX trading data prepared by IRESS. IRESS has not consented to the use of this trading data in this Bidder's Statement.

1.8. There is no Superior Proposal or alternative offer for your Tandou Shares

The Offer is the only offer available to Tandou Shareholders as at the date of this Bidder's Statement.

1.9. You risk becoming a minority Tandou shareholder if you do not accept the Offer

If Webster gains majority control of Tandou but Webster is not entitled to compulsorily acquire the remaining Tandou Shares, those Tandou Shareholders who have not accepted the Offer will become minority Tandou Shareholders, with less influence over the future direction and control of Tandou.

If Webster owns a majority of outstanding Tandou Shares, there may be reduced liquidity in Tandou Shares. This may mean that minority shareholders could find it more difficult to buy and sell Tandou Shares.

In these circumstances, Webster will also seek to appoint nominees to the Tandou Board in proportion to its shareholding. Webster may gain control over the Tandou Board and, in this case, Webster (through its representatives on the Tandou Board) will control the decisions and the future direction of Tandou to the extent permissible by law and the ASX Listing Rules.

If there is limited spread of Tandou Shareholders, or limited volume of trading in Tandou Shares, following completion of the Offer, Webster will assess the appropriateness of Tandou remaining listed on the ASX and may seek to arrange for Tandou to be removed from the Official List of the ASX.

See Section 8 for further information concerning Webster intentions with respect to Tandou.

2. Key Questions

This Section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

2.1. What is the Bidder's Statement?

The Bidder's Statement sets out the terms of Webster's Offer and information relating to the Offer and the consideration you will receive.

2.2. What is the Offer?

Webster is offering to acquire your Tandou Shares (including Partly Paid Tandou Shares) by way of an off-market takeover offer. The Offer extends to Tandou Shares on issue at 7.00pm on 16 April 2015 and any Tandou Shares issued during the Offer Period.

The Offer Consideration is:

- (a) 1 Webster Share for every 2.25 fully paid Tandou Shares;
- (b) 1 Webster Share for every 225 Partly Paid Tandou Shares paid up to \$0.01; and
- (c) 1 Webster Share for every 11.25 Partly Paid Tandou Shares paid up to \$0.20.

If you become entitled to a fraction of a Webster Share under this Offer, the number of Webster Shares you are entitled to will be rounded up to the nearest whole number.

2.3. What is the value of the Offer?

Based on the closing price of Webster Shares on the ASX on 26 February 2015 (the last trading day before the Announcement Date) of \$1.30, the implied Offer value is approximately \$0.58 per Tandou Share. The implied value of the Offer will change as a consequence of changes in the market price of Webster Shares.

2.4. Who is Webster?

Webster, currently capitalised at approximately \$200 million¹ is Australia's largest vertically integrated producer of walnuts. In 2014, Webster's walnut production was approximately 7,000 tonnes, derived from over 2,200 hectares of owned/managed walnut orchards in the New South Wales Riverina and Tasmania.

In December 2014, Webster acquired the Kooba Aggregation from AgReserves Australia Limited for approximately \$123 million. The Kooba Aggregation comprises a substantial portfolio of water entitlements (94,000 mega litres) as well as 11,800 hectares of irrigated land, 25,800 hectares of pastoral land and 9,100 hectares of dry land and support farms which will allow Webster to expand its walnut operations and facilitate complementary annual cropping of cotton. The majority of the Kooba properties are located in the prime cropping zone on the Murrumbidgee River at Darlington Point in New South Wales. One of the Kooba properties is located at Euabalong.

See Section 3 for further information about Webster's history and business operations.

2.5. What are the tax consequences if I accept the Offer?

Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of the likely Australian tax consequences is set out in Section 12.

¹ Based on a Webster Share price of \$1.30 being the last price at which Webster Shares traded on ASX on the business day prior to the Announcement Date.

2.6. How do I accept the Offer?

CHESS Holdings

If your Tandou Shares are in a CHESS Holding, to accept you must either:

- instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or
- complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

Issuer Sponsored Holdings

If your Tandou Shares are in an Issuer Sponsored Holding, to accept you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

Participants

If you are a Participant (as defined in the ASX Settlement Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Rules.

2.7. Can I accept the Offer for part of my holding?

No, you can only accept for all of your holding. Your acceptance will be treated as being for all your Tandou Shares plus any additional Tandou Shares registered as held by you at the date your acceptance is processed.

2.8. What happens if I do not accept the Offer?

Subject to what is stated below, you will remain the holder of your Tandou Shares if you do not accept the Offer.

If Webster obtains a relevant interest in at least 90% of the Tandou Shares (by number) on issue at any time during the Offer Period and the Conditions are satisfied or waived, Webster presently intends to proceed to compulsorily acquire your Tandou Shares if you have not accepted the Offer (see Section 8.4). At the conclusion of the compulsory acquisition process, you will receive 1 Webster Share for every 2.25 fully paid Tandou Shares which are compulsorily acquired. You will receive consideration for your Tandou Shares sooner if you accept the Offer.

If Webster has an interest in less than 90% of the Tandou Shares, Webster will not be able to proceed to compulsorily acquire your Tandou Shares. Webster's intentions if it has an interest in less than 90% of Tandou Shares are described in Section 8.

2.9. Can I withdraw my acceptance?

Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, Webster varies the Offer in a way that postpones for more than 1 month the time when Webster has to pay you under the Offer (for example if Webster extends the Offer for more than 1 month while the Offer remains conditional).

2.10. When does the Offer close?

The Offer is currently scheduled to close at 7:00 pm (Sydney time) on 2015, unless extended or withdrawn.

2.11. Can Webster extend the Offer Period?

Yes, the Offer can be extended by Webster or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

2.12. Can I sell on the market the Webster Shares I receive from accepting the Offer?

Yes. You will be able to sell on the ASX the Webster Shares you receive.

2.13. What if I am a foreign shareholder?

Ineligible Foreign Shareholders of Tandou Shares will not be entitled to receive Webster Shares on accepting the Offer. Ineligible Foreign Shareholders who accept the Offer will be paid the net cash sale proceeds of Webster Shares which they would otherwise have received (see Section 15.7(c)). Ineligible Foreign Shareholders are (unless Webster determines otherwise) holders of Tandou Shares whose address as shown in the register of members of Tandou is in a jurisdiction other than Australia and its external territories or New Zealand.

Webster has agreed that the following Tandou Shareholders: Peter Joy, Belfort Investment Advisers Limited, Eagle Securities Limited and James Beeland Rogers and Paige Anderson Parker will not be treated as Ineligible Foreign Shareholders and will be entitled to receive Offer Consideration under the Offer.

2.14. If I accept the Offer, when will I receive Webster Shares?

If you accept this Offer, Webster will, in the usual course, issue you with Webster Shares on or before the earlier of:

- (a) the day 1 month after you accept this Offer or, if this Offer is subject to a Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.

Full details of when you will be issued Webster Shares are set out in Section 15.7.

2.15. Will I need to pay brokerage or stamp duty if I accept the Offer?

You will not pay any stamp duty on accepting the Offer.

If your Tandou Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Webster, you will not incur any brokerage connected with you accepting the Offer.

If your Tandou Shares are in a CHESS Holding or you hold your Tandou Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.

2.16. What are the Conditions to the Offer?

The Conditions of the Offer are set out in Section 15.8(a) of this Bidder's Statement. These Conditions are:

- (a) Shareholders approve the Tandou Resolutions;
- (b) the number of Tandou Shares in which Webster and its associates have a relevant interest at the expiry of the Offer Period is not less than 50.1% of the Tandou Shares then on issue;
- (c) the Foreign Investment Review Board approves the Tandou Acquisition or the Treasurer of the Federal Government becomes precluded from making an order in respect of it;
- (d) Tandou does not materially breach its obligations under the merger implementation agreement;

- (e) except for any proposed transaction publicly announced by Tandou before 27 February 2015 or otherwise agreed with Webster, Tandou does not:
 - (i) offer to acquire, agree to acquire or acquire one or more companies, business or assets (or interests in them) for an amount in aggregate greater than \$1,000,000 or make an announcement in relation to such an acquisition, offer or agreement outside the ordinary course of business;
 - (ii) complete, enters into, offer to enter into or agree to enter into any agreement, joint venture, partnership or commitment which would require expenditure, or the foregoing of revenue by Tandou of an amount which:
 - (A) is, in aggregate, more than \$1,000,000, other than in the ordinary course of business or makes an announcement in relation to such an entry, offer or agreement; or
 - (B) results in the book value of all water rights held by Tandou falling below \$57.3 million;
- (f) no person that has a right as a result of any change in control in respect of Tandou to terminate or alter any material contract relating to Tandou or require the sale of any securities in Tandou exercises that right or notifies Tandou that it intends to exercise that right;
- (g) no material adverse change occurs in respect of Tandou;
- (h) no material litigation or arbitration proceedings have been or are instituted or threatened against Tandou;
- (i) there is no regulatory intervention that would prohibit, prevent or inhibit the acquisition of, or trading in, Tandou Shares, impose conditions on the Offer or require the divestiture by Webster of securities or assets of Tandou; and
- (j) no prescribed occurrences occur in relation to Tandou.

The above is only a summary. The full terms of these Conditions are set out in Section 15.8(a) of this Bidder's Statement.

2.17. What happens if the Conditions are not satisfied or waived?

If the Conditions are not satisfied before the Offer closes or waived by Webster the Offer will lapse. Webster will make an announcement to the ASX if the Conditions are satisfied or waived during the Offer Period.

2.18. Are there any risks in accepting the Offer?

If you accept the Offer you will become a shareholder in Webster. There are risks in holding Webster Shares and these are summarised in Section 11.

What you should do next

- Step 1:** Carefully read the entire Bidder's Statement and consider the information provided.
- Step 2:** Read the target's statement to be provided by Tandou.
- Step 3:** If you need advice, consult your Broker or your legal, financial or other professional adviser.
- Step 4:** If you wish to accept the Offer follow the instructions below.

How to accept the Offer

You should read Section 15.5 for full details on how to accept the Offer.

CHESS Holdings

If your Tandou Shares are in a CHESS Holding, to accept you must either:

- instruct your controlling participant (usually your Broker) to accept the Offer on your behalf; or
- complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

Issuer Sponsored Holdings

If your Tandou Shares are in an Issuer Sponsored Holding, to accept you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

If your SRN begins with an "I", this indicates that your Tandou Shares are in an Issuer Sponsored Holding.

Participants

If you are a Participant (as defined in the ASX Settlement Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Rules.

3. Information on Webster

3.1. Overview

Webster is a diversified agribusiness that was established in 1831, Webster first listed on the ASX in 1974.

Over the last 5 years Webster has simplified its structure to meet emerging market opportunities and has, as a result, become a more focused, efficient and profitable operation.

3.2. Webster Directors and corporate governance

Information relating to Webster's Directors and corporate governance is contained in Section 13.

3.3. Overview of Webster and its principal activities

At the date of this Bidder's Statement Webster has 3 core operating divisions, Field Fresh Tasmania, Walnuts Australia and the annual row cropping operations centred around the Kooba Aggregation, acquired in December 2014.

Field Fresh Tasmania is a counter-seasonal producer and marketer of onions, for both the export and domestic markets. In November 2014, Webster announced that it had entered into an agreement with Dandaragan Farms Pty Ltd and North East Equity Pty Ltd, jointly trading as Sumich, to sell the Field Fresh Tasmania onion operations. Completion of this is due to occur on 30 June 2015. At completion, Webster will receive \$10.15 million in consideration for its onion assets plus the value of stock on completion. At completion of the sale of Field Fresh Tasmania, Webster will still own and operate Walnuts Australia and the Kooba Aggregation.

Walnuts Australia is Australia's largest commercial walnut grower, currently owning or managing over 2,200 hectares in Tasmania and NSW as well as owning Australia's principal commercial walnut nursery. See Sections 3.5 and 3.6 for further details in relation to Walnuts Australia.

The Kooba Aggregation, with its associated large water holdings, was acquired by Webster in December 2014. The Kooba Aggregation is a large and multi-crop annual cropping operation. See Section 3.7.

3.4. Corporate Strategy

The Webster strategy is to own or control its significant water requirements and to stream these to uses of greatest return – also referred to as highest and best use. This strategy has been adopted by Webster as Webster's has grown its presence in irrigated agriculture.

Water, its availability, its cost and its transferability (to the extent possible) between property assets are all important in the grouping of the Tandou and Webster assets. This strategy was a significant driver in the December 2014, \$123 million acquisition of the Kooba Aggregation. Consistent with this strategy, the Bengorang Acquisition, if it proceeds, will also bring with it significant water entitlements.

Whilst water is only one element of Webster's corporate strategy, it is a key one. The "highest and best use" water strategy seeks to provide Webster with the greatest return from each mega litre of water applied. Webster has large positions in both walnut and cotton crops. These crop positions complement each other. This is because walnut production is a highest and best use for water on perennial crops whilst cotton production represents the highest return currently among irrigated annual crops.

The streaming of water between crop needs will assist to optimise Webster Shareholder returns. By increasing Webster's water assets (through the Offer and the Bengorang Acquisition), Webster's ability to stream water between its crops will be enhanced. The ability of Webster to do this will depend on levels of acceptances under the Offer and whether the Bengorang Acquisition proceeds.

With a sizeable land bank, Webster is already positioned to grow both its annual row cropping and its perennial horticulture crops. Successful acquisition of Bengarang and Tandou will increase this further.

3.5. Walnuts Australia overview

Trading as Walnuts Australia, Webster is the largest walnut producer in Australia, producing around 90% of Australia's walnuts.

Webster owns 1,950 hectares of walnut orchards, of which 390 hectares are located in Tasmania and 1,560 hectares are located in the Riverina, New South Wales. Webster manages a further 330 hectares of orchards (80 hectares under joint venture in Tasmania and 250 hectares in the Riverina).

Walnuts Australia is a fully vertically integrated operation that includes all aspects of orchard establishment, maintenance, harvesting, processing, grading and packing together with sales and marketing.

In 2014 Webster committed approximately \$18 million to walnut capital investment programs, including a new state of the art walnut cracking and packing facility at Leeton and a new walnut orchard at Avondale West.

The new walnut orchard at Avondale West will be established over a 3 year period. The orchard is currently in its 2nd year and will be fully established by the end of the winter of 2016.

The new cracking facility has allowed Webster to enter the Australian domestic market, where the majority of walnuts are sold as kernels, rather than in-shell, for the first time. Historically Webster has exported the majority of its crop on an in-shell basis to counter seasonal Northern Hemisphere markets.

3.6. Walnut Australia revenue

Webster derives its walnut revenue from three streams – owned orchards, managed investment scheme income and management fees.

In 2013, the walnut orchards generated increased yields ahead of management expectations and was the major contributor to earnings. During the 2014 financial year, walnut related earnings continued to rise in line with increased yields. The increase in revenue and earnings over the period reflects primarily the maturing yield profile of walnut orchards.

Webster is building a presence in the global walnut industry. Approximately 46% of 2014 revenue was generated from exports to Europe, 32% to Asia and 22% in Australia.

The six months to 31 December 2014 saw revenue and other income increase to \$17.8 million, up from \$17.5 million in the same period in 2013. EBIT however had declined from a loss of \$2 million in the six months to 31 December 2013 to a loss of \$2.7 million. This is in line with budget for the six months to 31 December 2014 and reflects seasonality and year-on-year differences in the timing of sales.

3.7. Kooba Aggregation

In December 2014 Webster acquired all of the assets of AgReserves Australia Limited (**Kooba Aggregation**). The consideration payable at completion of the acquisition was \$123 million.

Approximately 50% of the acquisition cost is made up of water entitlements. The acquired assets includes two large properties of approximately 37,000 hectares on the Murrumbidgee River at Darlington Point in NSW, namely Kooba Station and Bringagee & Benerembah Station. These properties are centred in prime cropping zone on the river and are considered to be among the very best irrigable farms on the Murrumbidgee, with substantial laser levelled cropping ground and significant water entitlements. The acquisition also included the Booberoi Station near Euabalong, NSW of approximately 8,000 hectares.

In association with this transaction Webster issued 17,475,728 new Webster Shares at \$1.03 per share to Australian Food & Fibre Limited (**AFF**) and its Associates. See Section 3.8 for further details about AFF. These Webster Shares currently represent approximately 11.2% of the issued capital of Webster (**AFF Placement**).

The Kooba Aggregation acquisition was partly funded by existing and new debt facilities and was partly also funded by a Placement to AFF and funds received in relation to the divestment of Field Fresh Tasmania.

If the Offer proceeds, Webster's gearing levels will be substantially reduced. See Section 9.7 for further information at Webster's gearing levels following the Kooba Aggregation acquisition.

3.8. AFF management of Kooba Aggregation and Bengarang

AFF, a high performing cotton grower, is owned primarily by interests associated with the family of David Robinson, a Webster Director. David Robinson was invited to join the Webster Board following completion of the Kooba Aggregation acquisition. AFF presently provides management services to both Webster in respect of the Kooba Aggregation assets and to Bengarang.

On completion of the Bengarang Acquisition, AFF and Webster will enter into a new management agreement to replace the two existing agreements with Webster and Bengarang. Webster Shareholder approval for the entry into this new management agreement is being sought by Webster. Approval and execution of this agreement is a condition precedent to the Bengarang Acquisition.

Over three decades the principals of AFF have shown themselves to be among the best of row crop and particularly cotton, managers in Australia. AFF owns or manages farms which produce more than 150,000 bales of cotton annually and has a 30 year history of successful cotton growing in north west New South Wales. Webster considers AFF's knowledge and experience, particularly knowledge and experience garnered in its current management roles, make it best placed to provide management services going forward. Webster considers AFF's management experience as integral to the integration and development of its acquired operations. For these reasons, Webster has not sought to engage an unrelated entity to provide management services.

3.9. Webster outlook following Kooba Aggregation

The acquisition of the Kooba Aggregation follows five years of growing returns from Walnuts Australia. The acquisition brings a large and multi-crop annual cropping operation, which the Webster Directors believe will be complementary to its existing permanent walnut growing operations.

Webster's New South Wales operations have been further expanded by:

- (a) the new \$12 million processing and storage facility at Leeton, NSW commissioned in 2014 (Section 3.4 for further details); and
- (b) completion of year one of a three year program in establishing a new walnut orchard, Avondale West, also at Tabbita (Section 3.4 for further details).

In acquiring the Kooba Aggregation, including water rights, Webster acquired a potential land bank for significant further walnut growth, post its Avondale West development.

3.10. Kooba Strategy

The Kooba Aggregation acquisition is consistent with Webster's stated strategy of being a significant player in the areas in which it operates.

It is the intention of Webster to further develop the Kooba Aggregation and to grow the size of both the annual cropping and walnut operations.

The primary focus of water allocations will be Webster's walnut tree crops. However in times of strong water supply Webster will fully exploit annual cropping potential.

The introduction of annual cropping is an important element in the chosen Webster strategy (“highest and best use”). Within the irrigation zone in which Webster operates, the addition of Kooba’s annual cropping (specifically cotton crops) complements Webster’s existing and planned walnut tree crops.

Walnut and cotton crops complement each other. This is because, as indicated above, Walnut production is a highest and best use for water on perennial crops whilst cotton production, has the highest return currently among irrigated annual crops.

3.11. Webster historical financial information

Basis of presentation of historical financial information

The historical financial information contained in Section 3.11 relates to Webster on a stand-alone basis and accordingly does not reflect any impact of the Offer or the Bengerang Acquisition.

It is a summary only and the full financial accounts for Webster for the financial periods described below, which include the notes to the accounts, can be found in Webster’s preliminary results and half year and annual reports for those specific periods.

Financial Performance

Summarised below are the consolidated historical income statements for the years ended 30 June 2012 to 30 June 2014 and for the 6 months to 31 December 2014, being the last 3 audited income statements and the last audit reviewed income statement prior to the date of this Bidder’s Statement (respectively).

Income Statement				
	30 June 12	30 June 13	30 June 14	31 Dec 14
	\$'000	\$'000	\$'000	\$'000
Revenue	44,751	52,867	54,897	13,213
Costs of sales	(21,418)	(26,453)	(28,927)	(12,014)
Gross profit	23,333	26,414	25,970	1,199
Gross profit %	52%	50%	47%	9%
Other income	2,522	4,742	8,668	4,584
Revaluation of non-current biological assets	886	4,165	2,085	-
Distribution expenses	(7,492)	(9,111)	(7,996)	(885)
Marketing expenses	(779)	(1,107)	(970)	(259)
Operational expenses	(9,746)	(8,662)	(9,519)	(5,615)
Administration expenses	(2,771)	(3,370)	(3,955)	(1,597)
Other expenses	(351)	(410)	(409)	(108)
Total fixed expenses	(21,139)	(22,660)	(22,849)	(8,464)
Earnings Before Interest & Tax (EBIT)	5,602	12,661	13,874	(2,681)
Finance costs	(406)	(253)	(292)	(434)
Acquisition costs	-	-	-	(2,981)
Provision for doubtful debts	-	-	(1,605)	-
Impairment of land building assets	-	(2,486)	-	-
Earnings before tax	5,196	9,922	11,977	(6,096)
Income tax benefit/(expense)	(1,198)	(2,955)	(3,649)	1,829
Loss from discontinued operations	-	-	-	(529)
Profit/(loss) post tax	3,998	6,967	8,328	(4,796)

Notes:

1. The column entitled "30 June 2012" is drawn from the audited statement of financial position for Webster as at 30 June 2012 included in the 2011-2012 Annual Report released to ASX on 20 September 2012.
2. The column entitled "30 June 2013" is drawn from the audited statement of financial position for Webster as at 30 June 2013 included in the 2012-2013 Annual Report released to ASX on 24 September 2013.
3. The column entitled "30 June 2014" is drawn from the audited statement of financial position for Webster as at 30 June 2014 included in the 2013-2014 Annual Report released to ASX on 30 September 2014.
4. The column entitled "31 Dec 14" is drawn from the audit-reviewed statement of financial position for Webster as at 31 December 2014 included in the Appendix 4D released to ASX on 27 February 2015.

Financial Position

Summarised below is the consolidated balance sheets of Webster as at 30 June 2012 to 30 June 2014, being the last three audited financial statements prior to the date of this Bidder's Statement, and as at 31 December 2014, being the last audit reviewed balance sheet released by Webster prior to the date of this Bidder's Statement. See notes to the table for further details.

Balance Sheet					
	30 Jun 12	30 Jun 13	30 Jun 14	31 Dec 14	Adjusted Dec 14
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and equivalents	987	15,269	2,242	2,229	2,229
Trade and other receivables	23,763	14,738	22,102	6,784	6,784
Inventories	8,030	12,034	18,271	23,985	23,985
Prepayments & other assets	620	550	856	880	880
Biological assets	-	-	464	786	786
Current tax assets	-	-	-	812	812
Assets held for sale	-	-	-	9,511	9,511
Total current assets	33,400	42,591	43,935	44,987	44,986
Trade and other receivables	-	3,541	2,947	3,167	3,167
Property, plant and equipment	36,458	40,086	50,783	96,001	8,287
Biological assets	23,115	27,661	31,635	33,302	n/a
Water rights	2,068	2,068	2,848	66,194	n/a
Property, biological assets & water rights at valuation	n/a	n/a	n/a	n/a	188,225
Investment property	829	824	819	817	817
Deferred tax asset	3,063	3,037	2,586	3,408	3,480
Intangibles	2,816	2,690	2,566	2,504	2,504
Total non-current assets	68,349	79,907	94,184	205,465	206,480
Total assets	101,749	122,498	138,119	250,452	251,466
Trade and other payables	9,696	9,929	10,259	7,367	8,118
Borrowings	308	318	9,111	55,656	55,656
Current tax liability	1,130	1,234	1,612	-	-
Other financial liabilities	-	1,153	-	300	300
Provisions	2,076	1,484	1,393	781	780
Total current liabilities	13,210	14,118	22,375	64,104	64,104
Borrowings	5,518	700	489	60,994	60,994
Deferred tax liability	3,255	4,656	6,756	6,756	7,061
Provisions	34	53	56	162	162
Total non-current liabilities	8,807	5,409	7,301	67,912	67,993

Balance Sheet					
	30 Jun 12	30 Jun 13	30 Jun 14	31 Dec 14	Adjusted Dec 14
	\$'000	\$'000	\$'000	\$'000	\$'000
Total liabilities	22,017	19,527	29,676	132,016	132,846
Net assets	79,732	102,971	108,443	118,436	118,619
Issued capital	53,114	73,458	73,458	91,433	91,433
Reserves	1,133	(807)	361	(141)	
Retained earnings	25,485	30,320	34,624	27,144	27,186
Total equity	79,732	102,971	108,443	118,436	118,619

Notes:

1. The column entitled "30 June 2012" sets out the audited statement of financial position for Webster as at 30 June 2012 included in the 2011-2012 Annual Report released to ASX on 20 September 2012.
2. The column entitled "30 June 2013" sets out the audited statement of financial position for Webster as at 30 June 2013 included in the 2012-2013 Annual Report released to ASX on 24 September 2013.
3. The column entitled "30 June 2014" sets out the audited statement of financial position for Webster as at 30 June 2014 included in the 2013-2014 Annual Report released to ASX on 30 September 2014.
4. The column entitled "31 Dec 14" sets out the audit-reviewed statement of financial position for Webster as at 31 December 2014 included in the Appendix 4D released to ASX on 27 February 2015
5. The column entitled "adjusted Dec 14" sets out the audit-reviewed statement of financial position for Webster as at 31 December 2014 included in the Appendix 4D released to ASX on 27 February 2015 adjusted to take account of:
 - (a) the valuations of land, biological assets and water rights ascribed by CBRE and Colliers to those assets as set out in the Independent Expert Report;
 - (b) Webster's payment of transaction costs of \$750,000.

3.12. Management Commentary on financial information

Net assets of Webster have increased from approximately \$80 million in 2012 to approximately \$118 million at 31 December 2014.

The increase over this period reflects primarily the capital raisings undertaken in 2012 and in December 2014. The main assets of Webster comprise properties together with the biological assets and water rights. CBRE and Colliers were appointed to conduct a valuation of its properties together with the biological assets and water rights for the purpose of obtaining the Webster Shareholder approvals required for the purposes of the Offer. The adjusted net assets at 31 December 2014 were \$118.6 million.

3.13. Dividend Policy

The payment of dividends is at the discretion of Webster's board of directors after taking into account many factors, including Webster's operating results, financial condition and current and anticipated cash needs. Webster's current dividend policy is to pay dividends once per year approximately equal to 50% of after tax earnings.

9% non-redeemable preference shares receive preferential dividend rights.

While it has not been activated in recent years, Webster also has a dividend reinvestment plan which allows Webster Shareholders with a registered address in Australia or New Zealand to elect to reinvest all or part of their dividends in additional Webster Shares at a discount to the prevailing market price and free of brokerage, commission or other transaction costs.

See Section 5.6 for details of Webster's dividend payment history.

3.14. Public announcements by Webster

As a disclosing entity for Corporations Act purposes, Webster is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to Webster may be obtained from, or inspected at, an ASIC office.

Each recipient of this Bidder's Statement has a right to obtain a copy of:

- (a) the Webster 2014 Annual Report (being the annual financial report most recently lodged with ASIC by Webster);
- (b) the half year financial report for the six months ended 31 December 2014 (lodged with the ASX on 27 February 2015); and
- (c) all continuous disclosure notices used to notify the ASX of information relating to Webster after the lodgement of that annual financial report and before the lodgement of this Bidder's Statement with ASIC. The documents listed in Annexure A to this Bidder's Statement were lodged by Webster with the ASX during this period.

Recipients of this Bidder's Statement who ask Webster for a copy of any of those documents during the Offer Period will be given copies free of charge.

The contact for this purpose is John Hosken who can be contacted on 0418 529 151 or by email at tandou@websterltd.com.au.

3.15. Independent Expert Report

Pitcher Partners Corporate Finance Pty Limited was retained to provide a report in relation to the Bengerang Acquisition and the Offer. The Independent Expert Report was released to the market via the ASX announcement platform on 15 April 2015 as Part C of the Shareholders Booklet. This report has been incorporated into this document by reference.

See Section 3 of the Independent Expert Report contains further information regarding Webster, its business operations, history, financial results.

Recipients of this Bidder's Statement can request a copy of this report from Webster during the Offer Period free of charge. The contact for this purpose is John Hosken who can be contacted on 0418 529 151 or by email at tandou@websterltd.com.au.

4. Information on Bengarang

4.1. Disclaimer

The following description of Bengarang and the financial information concerning Bengarang contained in this Section have been prepared by Webster primarily using publicly available information and information provided by Bengarang. Information in this document concerning Bengarang's business has not been independently verified. To the extent permitted by law, Webster does not make any representation or warranty, express or implied, as to the currency, accuracy or completeness of such information.

4.2. Introduction

This Section provides background information on Bengarang. The Offer is being made in conjunction with the Bengarang Acquisition. The Bengarang Acquisition and the Offer are not interconditional. The Offer may be declared unconditional in circumstances where the Bengarang Acquisition does not proceed. If the Offer becomes unconditional and the Bengarang Acquisition completes, Bengarang will become a wholly owned subsidiary of Webster and Tandou Shareholders who accept the Offer will be exposed to Bengarang's business operations.

4.3. Overview of Bengarang Acquisition

On 27 February 2015, Webster announced the Bengarang Acquisition.

Bengarang, formerly named PrimeAg Australia Limited, was previously an ASX listed Australian agribusiness which owned and operated agricultural land and water assets in northern New South Wales and eastern Queensland.

Its main crops included cotton, wheat, sorghum and chickpeas. It divested most of its assets in 2012 and was subsequently privatised in 2013 in conjunction with the divestment of the remainder of its assets, other than its Lower Box, Dodds, Lakeland Downs and Kurrajong Hills properties. The privatisation process was completed on 12 November 2013.

4.4. Bengarang Vendors

Two of Bengarang Vendors Belfort and AFF are associated with Webster Directors (Christopher Corrigan and David Robinson, respectively). Completion of the Bengarang Acquisition is conditional on, amongst other things, Webster Shareholder approval. See Section 14.2 for details.

4.5. Bengarang properties:

Following the privatisation, Bengarang entered into a number of contracts to buy, sell and lease various properties. Bengarang currently owns the following properties:

- (a) Bengarang Aggregation in Garah, New South Wales, comprising the properties known as Bengarang, Lower Box, Bullamon, Dodds and Rockless Park;
- (b) Lakeland Downs in Condamine, Queensland; and
- (c) Kurrajong Hills in New South Wales.

Bengarang intends to purchase the following properties:

- (a) Bengarang currently leases Medgun at Garah, New South Wales. Bengarang has leased this property until August 2015 and has an option to purchase it (inclusive of water rights) up to 28 June 2015 or earlier for \$8.0 million. It is proposed that this purchase will be settled following Webster's Acquisition of Bengarang; and
- (b) Fort Bourke, Darling Farms and parts of Allambie in Bourke, New South Wales. Bengarang has entered into a contract (including early occupancy) to purchase the leasehold interest in

these properties and associated water entitlements for \$32.7 million. Bengerang expects that purchase to complete in May 2015 prior to completion of Webster's purchase of Bengerang.

The following table summarises the property holdings and water entitlements of Bengerang on completion of those contracts:

Property	Hectares	Water entitlements (ML)
Bengerang aggregation, Garah, New South Wales	8,177	23,573
Lakeland Downs, Condamine, Queensland	1,684	2,040
Fort Bourke, Darling Farms and parts of Allambie in Bourke, New South Wales	15,771	32,556
Total	25,632	58,169

During the current financial year, capital works in an amount of approximately \$3 million have been completed. The purpose of these works was to integrate and augment the water reticulation and storage works on the newly aggregated properties at Garah, NSW.

4.6. Historical financial performance

The financial performance of Bengerang for the financial year ended 30 June 2014 and the half year ended 31 December 2014 is summarised in the table below.

Given the significant change in the properties owned by Bengerang before the 2014 financial year it is not meaningful to incorporate earlier historical results.

Summary income statement		
	30 June 2014 ¹	31 December 2014 ²
	\$'000	\$'000
Revenue	14,467	907
Gross Profit	5,698	1,236
EBITDA	(692)	(600)
Earnings/(loss) before tax	2,922	(1,237)

Notes:

1. The column headed "30 June 2014" is drawn from the audited financial statements for Bengerang for the financial year ended 30 June 2014.
2. The column headed "31 December 2014" is taken from the unaudited management accounts for Bengerang for the six months ended 31 December 2014.

More detailed information regarding the historical financial performance for Bengerang for the financial year ended 30 June 2014 and the half year ended 31 December 2014 is set out in Section 4.3 of the Independent Expert's Report.

4.7. Unaudited proforma statement of financial position

The proforma statement of financial position of Bengerang set out below has been prepared to illustrate the financial position of Bengerang had certain transactions described below occurred as at 31 December 2014. This proforma statement of financial position is intended to be illustrative only and will not reflect the actual position and balances of Bengerang as at the 31 December 2014 or at

the date of completion of the Bengerang Acquisition. The consideration payable by Webster under the Bengerang SPA has been determined on the basis that Bengerang has completed the transactions described below. See Section 14.2 for details.

The proforma statement of financial position is presented in summary form only and does not comply with the presentation and disclosure requirements of Australian Accounting Standards.

Unaudited Proforma statement of financial position		
\$'000	Actual 31 December 2014¹	Proforma 31 December 2014³
Current Assets		
Cash and cash equivalents	118	5,118
Trade and other receivables	3,936	436
Inventories	756	756
Biological assets	2,998	2,998
Other assets	141	141
Total Current Assets	7,949	9,449
Non-Current Assets		
Available for sale financial assets	2	2
Land and buildings + property improvements	36,716	53,208
Plant and equipment	3,222	3,222
Water licences	31,990	62,010
Liabilities assumed by New Investors	n/a	10,570
Deferred tax asset	3,967	3,967
Total Non-Current Assets	75,898	132,979
Total Assets	83,847	142,428
Non-Current Liabilities		
Trade and other payables	2,216	1,716
Interest -bearing loans and borrowings	3,962	3,962
Provisions	39	39
Total Current Liabilities	6,217	5,717
Interest -bearing loans and borrowings	15,769	15,769
Provisions	11	11
Deferred tax asset	3,255	3,255
Total Non-Current Liabilities	19,035	19,035
Total Liabilities	25,252	24,752
Net Assets	58,595	117,676

Notes:

1. The column headed "Actual 31 December 2014" is drawn from the unaudited financial statements of Bengerang for the six months ended 31 December 2014.
2. The column headed "Proforma 31 December 2014" reflects the column headed "Actual 31 December 2014" after undertaking the following adjustments:
 - (a) the acquisition of the Darling Farm Assets for \$32,685,960 as at 31 December 2014;
 - (b) the acquisition of the Medgun Assets for \$8,000,000 as at 31 December 2014;
 - (c) the acquisition of additional water entitlements from AFF or an associated entity with a market value of \$5 million in consideration for the issue of 3,694,099 Bengerang Shares as at 31 December 2014;
 - (d) the injection of an additional \$5 million in cash in subscription for 3,694,099 Bengerang Shares as at 31 December 2014;
 - (e) the issue of 29,552,792 Bengerang shares in consideration for the assumption of liabilities owed by Bengerang in connection with the acquisition of Darling Farm Assets, the Medgun Assets and other liabilities in an aggregate amount of \$40 million; and
 - (f) the revaluation of certain land and water entitlements which result in an increase in the net assets of Bengerang. No adjustment for a deferred tax liability on the increase in value of the land and water entitlements has been made as Bengerang has sufficient capital losses to offset any potential capital gain.

4.8. Management of Bengerang

AFF and Bengerang are parties to a management and administration agreement dated 8 January 2014. Under this agreement, AFF provides Bengerang with a range of general management, farm management and administrative services. In consideration for these services, Bengerang paid AFF a management fee of \$500,000 per annum (plus GST if applicable) payable monthly in arrears. In addition, AFF charged Bengerang for the full cost of all employees engaged in performing the management and administration services for Bengerang under the existing management agreement.

On completion of the Bengerang Acquisition, AFF and Webster will enter into a new management agreement to replace the two existing agreements with Webster and Bengerang. Approval and execution of this agreement is a condition precedent to the Bengerang Acquisition. See Section 3.8 for details of AFF and Section 14.3 for further details of the AFF management agreement.

4.9. Proforma transactions and recapitalisation of Bengerang

The consideration of 107,670,120 Webster Shares to be issued for the acquisition of all Bengerang Shares has been determined on the basis that a number of transactions related to Bengerang have been completed. These transactions comprise the following:

- (a) Bengerang acquires the properties known as Fort Bourke, Darling Farm and parts of "Alambi", Bourke NSW and associated water entitlements for aggregate consideration of \$32,685,960 (**Darling Farm Assets**);
- (b) Bengerang acquires the property known as Medgun and associated water entitlements for a total purchase price of \$8 million (**Medgun Assets**);
- (c) Bengerang completes an issue of new Bengerang Shares to the Bengerang Vendors for an aggregate subscription price of \$50 million; and
- (d) certain land and water entitlements of Bengerang are revalued.

Darling Farm Assets

Bengerang entered into contracts to purchase the Darling Farm Assets in November 2014. The aggregate consideration payable is \$32,685,960. Of this sum, a deposit of \$3.5 million was paid on execution of the agreement. The balance of the consideration is payable as follows:

- (a) \$5,185,960 million on completion;
- (b) \$12 million on the first anniversary of completion; and
- (c) \$12 million on or before 30 June 2016.

It is presently anticipated that completion of this transaction will take place in May 2015. Assuming that completion takes place prior to completion of the Bengerang Acquisition, the outstanding purchase price for the Darling Farm Assets will be \$24 million.

Medgun Assets

Bengerang presently leases the land comprised in the Medgun Assets. Bengerang has also entered into a put and call option to purchase the Medgun Assets for a total purchase price of \$8 million. The call option is exercisable between 20 July 2014 and 28 June 2015. If the call option is not exercised, the owner of these assets may exercise a put option compelling Bengerang to acquire those assets. This put option is exercisable between 29 and 30 June 2015. The Bengerang board has indicated its intention to exercise the call option in June 2015. The purchase consideration of \$8 million is payable by the Bengerang Vendors on completion of the acquisition.

The Directors expect to exercise the call option in June 2015. This option will not be exercised prior to completion of the Bengerang Acquisition. The maintenance of the put and call option in good standing is a condition precedent to completion of the Bengerang Acquisition so that Bengerang is in a position to exercise this option following completion.

Recapitalisation

Bengerang proposes to complete a recapitalisation through the issue of shares to the Bengerang Vendors at an issue price of \$1.35351 per share. Webster will acquire these shares as well as all other issued shares in Bengerang on completion of the Bengerang Acquisition.

The subscription price of \$50 million will be payable in the following form:

- (a) the transfer of water entitlements by AFF free of security interests and other third party rights for a consideration of \$5 million;
- (b) cash consideration of \$5 million payable by Belfort and Verolot; and
- (c) the payment of cash and assumption of liabilities by the Bengerang Vendors in an aggregate amount of \$40 million.

The assumption of liabilities will comprise Bengerang's obligation to pay:

- (a) the outstanding consideration of \$24 million in respect of the Darling Farm Assets; and
- (b) the consideration of \$8 million on exercise of the call option to acquire the Medgun Assets.

4.10. Participation by New Investors

The Bengerang Vendors have secured the financial support from other investors in connection with the assumption of liabilities in an amount of \$40 million described in Section 4.9. Under these arrangements, the New Investors will in part fund the assumed obligations of the Bengerang Vendors to meet liabilities of Bengerang in exchange for the Bengerang Vendors procuring that Webster issues some of the Shares to be issued under the Bengerang Acquisition to the New Investors directly.

It is a condition precedent to completion of the Bengerang Acquisition that the terms of these arrangements with the New Investors are acceptable to Webster.

It is anticipated that the New Investors will be issued the following Webster Shares on completion of the Bengerang Acquisition:

- (a) Eagle Securities Limited – 3,854,369 Webster Shares;
- (b) Kaplan Equity Limited – 30,434,783 Webster Shares.

The Bengerang Vendors have confirmed that neither Eagle Securities Limited nor Kaplan Equity Limited is an associate of a Bengerang Vendor.

See Section 9.9 for details of the impact of completion of the Bengerang Acquisition and the Offer on the voting power of each of the Bengerang Vendors and the New Investors.

The unaudited proforma statement of financial position set out in Section 9.4 illustrates the impact of these transactions on the unaudited statement of financial position of Bengerang as at 31 December 2014.

4.11. Further information

Please refer to Sections 9.1 to 9.9 and 14.2 for further information in relation to the Bengerang Acquisition, including the material terms and conditions for the Bengerang Acquisition, the expected impact of the Bengerang Acquisition on Webster, the potential risks for Webster of proceeding with the Bengerang Acquisition and other related matters.

Section 4 of the Independent Expert Report (incorporated into this Bidder's Statement by reference) contains further information regarding Bengerang, its business operations, history and financial results. Section 7.1 of the Independent Expert Report provides information about the value attributed to Bengerang.

5. Information on Webster Shares

5.1. Webster issued securities

As at the date of this Bidder's Statement, Webster has on issue:

- (a) 155,463,093 Webster Shares;
- (b) 394,000 9% non-redeemable preference shares.

Webster has no options or other convertible securities on issue.

Of the total number of Webster Shares on issue as at the date of this Bidder's Statement, 3,860,000 were issued under a long term incentive plan and remain subject to vesting rights. See Section 5.9 for further details about these Webster Shares.

Further information regarding the terms and conditions applicable to Webster Shares and the non-redeemable preference shares are set out below in this Section 5.

5.2. Recent issues of Webster Shares

In December 2014 Webster issued 17,475,728 Webster Shares at \$1.03 per Webster Share to AFF and its Associates to partly fund the Kooba Aggregation.

No other Webster Shares have been issued in the current financial year.

5.3. Securities on issue after the Bengerang Acquisition

If the Bengerang Acquisition proceeds, 107,670,120 new Webster Shares will be issued to the Bengerang Vendors. Immediately following completion of the Bengerang Acquisition, Webster will have the following securities on issue:

- (a) 263,133,213 Webster Shares; and
- (b) 394,000 9% non-redeemable preference shares.

The above assumes that no Webster Shares have been issued under the Offer. See Section 9.8 for details of Webster securities following completion of the Offer.

If the Bengerang Acquisition completes, Webster receives acceptances for 90% or more of the issued Tandou Shares and proceeds to compulsorily acquire the balance of Tandou Shares, immediately following completion of the compulsory acquisition there will be 350,745,595 Webster Shares on issue.

If the Bengerang Acquisition does not proceed, but Webster acquires 100% of Tandou Shares, Webster will have 243,074,475 Webster Shares on issue. See Section 9.8 for further details.

The Bengerang Acquisition and the Offer are **not** interconditional. There is no guarantee that the Bengerang Acquisition will complete if the Offer is successful. See Section 9.9 for details of the control impact of the Bengerang Acquisition and the Offer.

5.4. Ownership of Webster

At the date of this Bidder's Statement, the top 20 shareholders hold approximately 76% of the total shares in Webster.

As at the date of this Bidder's Statement, the names of the substantial shareholders in Webster, the number of Webster Shares in which the substantial shareholder (and its Associates) have a relevant interest and the Voting Power of the substantial holder (and its Associates), as disclosed in notices of substantial holding and notices of change in substantial holding given to Webster up to that date, are set out in the below table.

Name	No. of Shares	Voting Power
AFF Persons ¹	54,621,511	35.13%
Mr Christopher Corrigan and Belfort Investment Advisors Ltd ²	23,838,637	15.3% / 35.13%
Mr P Joy	17,481,039	11.24%
Verolot ³	13,299,781	8.55% / 35.13%
K.D. Cushing Family Trust	11,431,136	7.35%

Notes:

1. The AFF Persons have disclosed Belfort and Verolot as their Associates. This Association may be deemed to have been established as a result of the Bengerang SPA. As such, the AFF Persons' Voting Power in Webster is increased by reference to the aggregate number of Webster Shares in which Belfort, Christopher Corrigan and Verolot (respectively) hold a Relevant Interest (being 37,138,418 Webster Shares). None of the AFF Persons has disclosed a Relevant Interest in any of those Webster Shares. The Association that may have been created on entry into the Bengerang SPA will cease when "Completion" as defined in the Bengerang SPA takes place.
2. Belfort and Christopher Corrigan have not identified the AFF Persons and Verolot as their Associates in their 'Notice of change of interests of in substantial shareholder' dated 5 March 2015. That substantial shareholder notice however discloses that the AFF Persons and Verolot may be deemed to be Associates for the purposes of the Corporations Act as a result of execution of the Bengerang SPA and the Relevant Interest of the AFF Persons and Verolot at that time. If such an Association did arise on execution of the Bengerang SPA, the Voting Power of Belfort and Christopher Corrigan would be 35.13%.
3. Verolot has not identified the AFF Persons, Belfort and Christopher Corrigan as its Associates in its 'Notice of change of interests of in substantial shareholder' dated 6 March 2015. That substantial shareholder notice however discloses that the AFF Persons and Belfort and Christopher Corrigan may be deemed to be Associates for the purposes of the Corporations Act as a result of execution of the Bengerang SPA and the Relevant Interest of the AFF Persons and Belfort and Christopher Corrigan at that time. If such an Association did arise on execution of the Bengerang SPA, the Voting Power of Verolot would be 35.13%.

5.5. Recent trading of Webster Shares

The last recorded sale price of Webster Shares on ASX on 26 February 2015 (being the last day of trading before the Announcement Date) was \$1.30.

In the four months before the Announcement Date:

- (a) the highest recorded trading price of a Webster Share on ASX was \$1.35. Webster Shares traded at this price on 30 January 2015, 2 February 2015 and 4 February 2015; and
- (b) the lowest recorded trading price of a Webster Share was \$1.00 on 5 November 2014.

The chart below illustrates the share price and volume of trades over the 24 months ending on 26 February 2015, being the last business day before the Announcement Date.



Source: IRESS

5.6. Dividend History

Webster has a history of paying dividends.

During the 2014 financial year, Webster paid the following dividends:

- (a) final and interim dividends of 4.5 cents per share on the 9% non-redeemable preference shares were paid on 30 September 2013 and 28 March 2014; and
- (b) final and interim dividends of 1.5 cents per share on Webster Shares were paid on 31 October 2013 and 30 April 2014.

In the 2015 financial year, Webster paid the following dividends:

- (a) final and interim dividends of 4.5 cents per share on the 9% non-redeemable preference shares were paid on 30 September 2014 and 31 March 2015 respectively; and
- (b) a final fully franked dividend on Webster Shares of 2.0 cents per Webster Share was paid on 31 October 2014.

5.7. Rights attaching to Webster Shares

General

The Webster Shares to be issued under the Offers will be issued fully paid and will rank equally for dividends and other rights with existing Webster Shares.

Under section 140(1) of the Corporations Act, the constitution of Webster has effect as a contract between Webster and each member and between a member of Webster and each other member. Accordingly, if you accept Webster Shares as consideration you will become liable to comply with the constitution of Webster. As the Webster Shares issued as consideration under the Offer will be issued credited as fully paid, no monetary liability attaches to them.

The constitution of Webster also sets out the principal rights attaching to Webster Shares. This Section provides a summary of these rights and the liabilities attaching to Webster Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of Webster.

The principal rights attaching to Webster Shares set out in the Webster constitution are summarised as follows:

- (a) **Meetings of shareholders and voting rights:** Each Webster Shareholder is entitled to receive notice of, attend and vote at general meetings of Webster and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of Webster or the Corporations Act or the ASX Listing Rules.

At a general meeting, every person present who is a Webster Shareholder or a proxy, attorney or representative of a Webster Shareholder has one vote on a show of hands and one vote on a poll for each fully paid share held. A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Voting at any general meeting of Webster Shareholders is by a show of hands, unless a poll is demanded by at least five Webster Shareholders entitled to vote on the resolution, or Webster Shareholders holding not less than 5% of the total voting rights of all shareholders having the right to vote on the resolution, or the chairman.

Where there are two or more joint holders of a share and more than one of them is present at a general meeting, in person or by proxy, attorney or representative, and tender a vote in respect of the share, Webster will count only the vote cast by, or on behalf of, the Webster Shareholder whose name appears first in Webster's register of members.

- (b) **Issues of further shares:** The Webster Directors may, on behalf of Webster, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Webster Directors decide. However, the Webster Directors must act in accordance with the restrictions imposed by Webster's constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.
- (c) **Dividends:** Each Webster Share entitles the holder to participate in any dividend declared by the Webster Directors from time to time.
- (d) **Winding up:** Subject to any special resolution or special rights attaching to any Webster Shares or class of shares, Webster Shareholders will be entitled on a winding up to a share in any surplus assets of Webster in proportion to the shares held by them.
- (e) **Transfer of Webster Shares:** Webster Shares are traded on the ASX. Subject to Webster's constitution, the Corporations Act and the ASX Listing Rules, Webster Shares are freely transferable.

Webster Shareholders may transfer their Webster Shares by a written transfer in the usual form or by a proper transfer effected in accordance with the ASX Settlement Rules and ASX requirements. All transfers must comply with Webster's constitution, the Listing Rules, the ASX Settlement Rules and the Corporations Act. The Webster Directors may refuse to register a transfer of shares in circumstances permitted by the Listing Rules or the ASX Settlement Rules. If the Webster Directors refuse to register a transfer, they must give the lodging party written notice in accordance with the Listing Rules. The Webster Directors must refuse to register a transfer of shares where required to do so by the Listing Rules or the ASX Settlement Rules.

- (f) **Dividend reinvestment and share plans:** The Webster Directors have adopted and have the power to implement dividend reinvestment plans (under which any Webster Shareholder may elect that dividends payable by Webster be reinvested by way of subscription for fully paid shares in Webster). The Directors can also establish a share plan under which any Webster Shareholder may elect to forego any dividends that may be payable on all or some of the shares held by that Webster Shareholder and to receive instead fully paid Webster shares, to the extent determined by the Directors.
- (g) **Alteration of capital:** The procedures set out in sections 246B to 246E of the Corporations Act must be followed for any variation of rights attached to Webster Shares. Under those sections, with the consent in writing of the holders of at least three quarters of the issued shares in the particular class, or the sanction of a special resolution passed at a meeting of the holders of shares in that class, the rights attached to a class of shares may be varied or cancelled. In either case, the holders of not less than ten per cent of the votes in the class of shares whose rights have been varied or cancelled may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.
- (h) **Amendment:** The constitution of Webster may be amended only by a special resolution passed by at least three quarters of the votes cast by Webster Shareholders entitled to vote on the resolution. At least 28 days' written notice of a meeting of shareholders must be given.

5.8. 9% non-redeemable preference shares

As at the date of this Bidder's Statement, Webster has 394,000 9% non-redeemable preference shares at a par value of \$1.00 per share on issue. These are included within the borrowings of Webster on the balance sheet.

Holders of 9% non-redeemable preference share holders do not have any rights to participate in any issues of Webster Shares. Preference shareholders' voting rights are limited to matters affecting the rights of such shareholders.

5.9. Long Term Incentive Plan

On 27 August 2013 the Board adopted an executive Long Term Incentive Plan (**LTIP**) to provide eligible executives the opportunity to acquire Webster Shares. Under the LTIP, eligible executives are invited to apply for a set number of Webster Shares and a limited recourse interest free loan is made available to them by Webster for this purpose. Webster Shares issued under the LTIP rank pari passu with existing ordinary Webster Shares and are entitled to participate in dividends as well as future rights and bonus issues.

Webster Shares issued to eligible executives under the LTIP are subject to a holding lock from their issue date until applicable vesting conditions have been satisfied and the loans applicable to them repaid.

Of the total number of Webster Shares on issue as at the date of this Bidder's Statement, 3,860,000 Webster Shares were issued under the LTIP and remain subject to vesting rights.

6. Information on Tandou

6.1. Disclaimer

The following description of Tandou and the financial information concerning Tandou contained in this Section have been prepared by Webster primarily using publicly available information and information provided by Tandou. Information in this document concerning Tandou's business has not been independently verified and Webster has not conducted due diligence on Tandou's business. To the extent permitted by law, Webster does not make any representation or warranty, express or implied, as to the currency, accuracy or completeness of such information.

The information on Tandou in this Bidder's Statement should not be considered comprehensive. You should refer to Tandou's ASX announcements and Tandou's Target Statement, which Tandou must provide to Tandou Shareholders in response to this Bidder's Statement.

6.2. Overview of Tandou

Tandou is an ASX listed Australian agribusiness focussed on investing in and managing water and land assets in the connected Murray-Darling Basin.

Tandou was founded in 1972 at which time it operated primarily as a pastoral property. Tandou subsequently became a producer of high value annual and permanent crops with irrigation and listed on ASX in 1987.

Tandou is now a large scale cotton orientated irrigator producing some rotational crops to optimise returns from its land assets. It has developed and diversified its business to include, in addition to high yielding cereal, cotton crops and sheep meat from its pastorally run Dorper flock. Tandou maintains a focus on growing its investment in water entitlements in the Murray-Darling Basin region using its scale and intellectual property as a competitive advantage.

6.3. Board of Tandou

The current directors of Tandou comprise:

- (a) Mr Rob Woolley – non-executive chairman;
- (b) Mr Guy Kingwill – chief executive officer and managing director;
- (c) Mr David Boyd – non-executive director
- (d) Mr Rodger Finlay – non-executive director.

Information about each of the Tandou director's experience and qualifications is contained on page 6 of Tandou's 2014 Annual Report. This document was released to the market via the ASX announcements platform on 8 October 2014. A copy of this report can be obtained for free at www.asx.com.au.

6.4. Structure

Tandou's has 3 distinct business operations, cropping, water and pastoral.

The farming segment comprises the production of crops (upland cotton and cereal) for sale in Australian and international markets as well as pastoral activities relating to sheep and cattle.

Tandou's second largest business operation is its water operations. The water operations segment comprises the trading of permanent water entitlements and temporary water allocations.

6.5. Cropping

The cropping business is Tandou's largest business, with 2 main operating sites, grouping a number of NSW properties.

The principal crops grown by Tandou include upland cotton, durum wheat (for use in pasta production) and malting barley (for use in brewing). These are grown in rotation to facilitate sustainable soil management and long term production.

This diverse cropping portfolio spreads risk and allows Tandou to capitalise on market opportunities for particular crops, while maximising return per ML of water used.

Tandou's cotton gin is located on a property known as Tandou Farm. The cotton gin processes the seed cotton grown on the property into:

- (a) baled lint ready for export to spinning mills;
- (b) cotton seed for use in the stock feed industry; and
- (c) cotton trash that is turned into compost on site and used in field as a soil conditioner.

The Tandou cotton gin is one of only three in Australia combining both a roller gin (eight stand) for Pima processing and a saw gin (two stand) for upland cotton processing. Tandou's cotton gin also has the latest cotton conditioning equipment to assist with the ginning process.

The following table summarises the property holdings of Tandou used in its cropping operations. Webster appointed Pitcher Partners Corporate Finance Pty Ltd (ACN 082 239 869) to conduct a valuation of the Tandou properties for the purpose of obtaining the Webster Shareholder approvals required for the purposes of the Offer. The Independent Expert Report attaches a valuation provided by CBRE Australia dated 28 December 2014 – 5 February 2015. A copy of this valuation is attached to the Independent Expert Report. The table summarises the valuations ascribed to each property in this recent valuation.

Property	Description	Hectares	Valuation \$'000
Tandou Farm, Merindee, New South Wales	<p>Located 142 kilometres south east of Broken Hill in NSW in the Menindee region. It is the predominant land site for crop cultivation.</p> <p>The primary crop at this site is cotton, grown during summer, with wheat and other cereal crops grown during winter when water allocations allow.</p>	127,337	\$31,500
Glenmea, Hay, New South Wales	<p>Located approximately 40 kilometres west of Hay, Glenmea, it is an irrigated property primarily used for cropping of cotton and cereal products.</p> <p>The property has a developed access to the Murrumbidgee River that allows for pumping of irrigation water and developed water storage of 4,500 ML.</p> <p>The main row crop irrigation has been levelled to grade, has permanent head ditches, properly constructed tailwater drains with module pads and a reticulation system that enables retention of all tailwater.</p>	6,223	\$6,360
Bundygoola, Hay, New South Wales	<p>Located approximately 60 kilometres west of Hay, Bundygoola, was an expansion of the Hay properties.</p> <p>Its primary use is for cotton and cereal cropping and has a developed access to the Murrumbidgee River and two developed water storage facilities with a combined capacity of 12,500 ML.</p> <p>The irrigation has been developed on a row crop basis, with all</p>	7,760	\$9,210

Property	Description	Hectares	Valuation \$'000
	fields being lasered, as have head ditches and tail drains. The head ditches are of significant capacity and there is a tailwater reticulation system allowing for the retention of all tailwater and the catchment of smaller storm water events.		
Pevensey Irrigation, Hay, New South Wales	Leased for three years, commencing 15 August 2012 with two options for renewal periods of a further three years.	1,400	\$240
Total		142,720	\$50,310

6.6. Water operations

Tandou owns a significant and diversified portfolio of water entitlements. Tandou invests in water entitlements for long term capital growth while retaining the option of using the allocation from these entitlements to:

- (a) sell water allocations when demand and hence price is high; or
- (b) crop production on its farm operations when demand and prices are low comparative to commodity returns.

Tandou operates in the Murray-Darling Basin which encompasses an area of 1.06 million km² and extends over four states and the ACT. Despite being one of the largest entitlement holders in NSW, Tandou's water holdings account for 0.6% of this total. Tandou's entitlements portfolio and farming operations fall within the Murray Connected Basin region—the Southern Basin. Water users in this region, including Tandou can source water allocations from anywhere in this region for use on its crops, providing physical water is available at the particular far, Water can be traded upstream by releasing less water through the regulated weir and lock system. However, regardless of the region from which its allocations are sourced, the Tandou Farm operation is reliant on there being physical water in the Menindee Lakes to draw on to irrigate its crops, the water supply to the Hay properties is supplied by the more reliable Murrumbidgee River.

The diversified portfolio includes significant water entitlements across the Lower Darling, Murray, Murrumbidgee and Goulburn systems. Summarised below are the values ascribed to the water rights by CBRE, an independent valuer appointed to conduct a valuation for the purpose of the Independent Expert Report issued by Pitcher Partners Corporate Finance Pty Ltd (ACN 082 239 869) in relation to Webster Shareholder approvals associated with the Offer. A copy of CBRE's valuation is included as an annexure to the Independent Expert Report.

Water entitlements	ML	Valuation \$'000
VIC Murray	5,513	\$9,810
VIC Goulburn	6,605	\$11,690
NSW Murray	3,819	\$6,250
Murrumbidgee	46,174	\$41,240
Lower Darling	21,902	\$18,000
Total	84,013	\$86,990

6.7. Tandou Pastoral

Until recently, Tandou Pastoral had established itself as one of the largest organic lamb producers in Australia. It has a flock of Dorper ewes which are continuously being developed to achieve a pure breed.

The organic market is increasing in Australia and is well established in the United States and Europe. Tandou is attracting a premium for its organic lamb and currently supplies abattoirs in Australia which service the domestic and United States markets. Tandou is certified through Australia Certified Organic as part of the Biological Farmers Association.

Webster understands that Tandou management has made the decision to downsize its pastoral operations following the non renewal of lease terms at the Keewong and Paddington leasehold properties.

6.8. Overview of Financial performance and history

Financial performance

Summarised below are the historical income statements for the years ended 30 June 2012 to 30 June 2014 and for the 6 months to 31 December 2014, being the last 3 audited income statements and the last audit reviewed income statement prior to the date of this Bidder's Statement (respectively).

Summary Income Statement	30 Jun 12	30 Jun 13	30 Jun 14	31 Dec 14
	\$'000	\$'000	\$'000	\$'000
Revenue	49,144	65,716	68,680	40,219
Cost of sales	(64,910)	(89,022)	(103,907)	(49,861)
Fair value of biological asset additions	27,119	36,999	40,452	12,966
Gross profit	11,353	13,693	5,225	3,324
Gross profit %	23%	21%	8%	8%
Other operating income	1,230	1,393	2,620	890
Administration expenses	2,105	2,298	1,904	1,231
Farm care and maintenance expenses	2,468	3,267	2,879	1,843
EBIT	8,010	9,521	3,062	1,140
Net financing costs	(982)	(912)	(2,028)	(842)
Establishment costs relating to Bundygoola acquisition	-	-	(422)	-
Impairment – PPE	-	-	(317)	-
Impairment reversal - non biological assets	475	-	-	-
Earnings before Tax	7,503	8,609	295	298

Notes:

1. The column entitled "30 June 2012" is drawn from the audited statement of financial position for Tandou as at 30 June 2012 included in the 2011-2012 Annual Report released to ASX on 26 September 2012.
2. The column entitled "30 June 2013" is drawn from the audited statement of financial position for Tandou as at 30 June 2013 included in the 2012-2013 Annual Report released to ASX on 20 September 2013.

3. The column entitled "30 June 2014" is drawn from the audited statement of financial position for Tandou as at 30 June 2014 included in the 2013-2014 Annual Report released to ASX on 18 September 2013.
4. The column entitled "31 Dec 14" is drawn from the audit-reviewed statement of financial position for Tandou as at 31 December 2014 included in the Appendix 4D released to ASX on 27 February 2015.

Financial position

Summarised below are the historical balance sheets of Tandou as at 30 June 2012 to 30 June 2014, being the last three audited financial statements prior to the date of this Bidder's Statement, and as at 31 December 2014, being the last audit reviewed balance sheet released by Tandou prior to the date of this Bidder's Statement. See notes to the table for further details.

	30 Jun 12 \$'000	30 Jun 13 \$'000	30 Jun 14 \$'000	31 Dec 14 \$'000	Adjusted 31 Dec 14 \$'000
Cash and cash equivalents	922	1,914	482	60	125
Trade and other receivables	2,748	11,304	9,303	5,026	5,026
Inventories – agricultural	25,476	36,416	27,093	1,250	1,250
Inventories – water	22,180	18,131	56,609	60,975	88,200
Biological assets	6,697	6,341	4,561	17,513	17,513
Financial assets	54	50	50	50	50
Total current assets	58,077	74,156	98,098	84,874	112,164
Land and buildings	28,300	34,678	58,388	58,411	50,310
Plant and equipment	4,647	7,257	6,395	6,929	6,929
Loan receivable	1,569	-	2,062	2,132	2,132
Inventories - water	1,882	1,919	2,084	2,084	-
Total non-current assets	36,398	43,854	68,929	69,556	59,371
Total assets	94,475	118,010	167,027	154,430	171,535
Trade and other payables	7,397	12,011	8,806	3,874	5,024
Borrowings	271	13,852	-	25,000	25,000
Employee benefits	648	759	884	964	964
Current tax liability	-	-	-	1,394	1,394
Total current liabilities	8,316	26,622	9,690	31,232	32,382
Borrowings	10,431	10,079	41,100	10,000	10,000
Employee benefits	48	75	108	135	135
Deferred tax liabilities	-	1,004	4,247	3,049	7,815
Total non-current liabilities	10,479	11,158	45,455	13,184	17,950
Total liabilities	18,795	37,780	55,145	44,416	50,332
Net assets	75,680	80,230	111,882	110,014	121,203
Share capital	74,400	74,400	98,754	98,754	
Share option reserve	31	31	31	31	
Cash flow hedge reserve	38	-	-	-	
Asset revaluation reserve	-	-	8,532	8,532	
Retained earnings	1,211	5,799	4,565	2,697	
Total equity	75,680	80,230	111,882	110,014	

Notes:

1. The column entitled "30 Jun 2012" sets out the audited statement of financial position for Tandou as at 30 June 2012 included in the 2011-2012 Annual Report released to ASX on 26 September 2012.

2. The column entitled "30 Jun 2013" sets out the audited statement of financial position for Tandou as at 30 June 2013 included in the 2012-2013 Annual Report released to ASX on 20 September 2013.
3. The column entitled "30 Jun 2014" sets out the audited statement of financial position for Tandou as at 30 June 2014 included in the 2013-2014 Annual Report released to ASX on 18 September 2013.
4. The column entitled "31 Dec 14" sets out the audit-reviewed statement of financial position for Tandou as at 31 December 2014 included in the Appendix 4D released to ASX on 27 February 2015.
5. The column entitled "Adjusted Dec 14" sets out the audit-reviewed statement of financial position for Tandou as at 31 December 2014 included in the Appendix 4D released to ASX on 27 February 2015 adjusted to take account of the valuations of land and buildings and water rights ascribed by CBRE, transaction costs for the Offer, the cash injection from the exercise of the Tandou Options and the deferred tax liability arising from the net increase in value. The adjusted net assets at 31 December 2014 were approximately \$120 million.

6.9. Management commentary on historical results

Tandou generates the bulk of its revenue from cotton and cereal sales, trading water entitlements and temporary water allocations as well as selling livestock.

The water and farming operations experienced growth in the 2013 financial year, reflecting record yields for both cotton and cereal crops.

The 2014 financial year saw the expansion of the Hay operations with the acquisition of the Bundygoola irrigation property and water entitlements. However despite this, earnings across both the water and farming operations declined in the 2014 financial year. The farming operations were negatively affected by low yields caused by fluctuating weather conditions at a critical stage of the crop cycle. The impact of prolonged extreme heat in summer was exacerbated by cold conditions and rain events during the final growing period in late March and early April.

The water business has generated strong growth to 31 December 2014 whilst the farming business however has generated a loss in EBIT of approximately \$2.5 million (compared to a positive EBIT of \$3.9 million in the same period in 2013) as a result of factors including higher cotton seed selling prices than had been utilised in the June 2013 SGARA calculation, lack of cereal crops and reduced ginning costs.

6.10. Publicly available information

Tandou is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For information concerning the financial position and affairs of Tandou, you should refer to the information that has been disclosed by Tandou pursuant to these requirements. Copies of announcements made by Tandou to ASX are available from ASX.

The financial annual report for Tandou for the year ended 30 June 2014 was lodged with ASIC on 8 October 2014 and given to ASX on that date. The half year report for Tandou for the six months ended 30 December 2014 was lodged with ASIC on 27 February 2015 and given to ASX on that date.

A list of Tandou's announcements which have been lodged with ASX since 30 June 2014 (being the end of the last financial period for which audited financial statements of Tandou were prepared), is set out in Annexure B. This information may be relevant to your assessment of the Offer. A copy of each of these announcements can be obtained from ASX. In addition, copies of other major announcements by Tandou can be obtained from Tandou's website: www.tandou.com.au.

In addition, Section 5 of the Independent Expert Report (incorporated into this Bidder's Statement by reference) contains further information regarding Tandou, its business operations, history and financial results. Section 7.2 of the Independent Expert Report provides information about the value attributed to Tandou.

The Corporations Act requires the Tandou Directors to provide a target's statement to holders of Tandou Shares, setting out their recommendations in relation to this Offer and all the information that the holders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer.

7. Tandou Shares

7.1. Capital structure of Tandou

At the date of this Offer, there are 196,850,209 fully paid Tandou Shares and 250,000 Tandou Options and the following Partly Paid Tandou Shares on issue:

Tandou Share	Number
Partly paid ordinary shares (to \$0.20)	125,000
Partly paid ordinary shares (to \$0.01)	40,000

The Offer extends to Tandou Shares that are issued during the Offer Period due to the conversion or exercise of the Tandou Options (refer to Section 15.3 for more details).

The 250,000 Tandou Options are held by Mr Guy Kingwill, a Tandou Director. Mr Kingwill has agreed to exercise all of the Tandou Options and to accept the Offer in respect of the Tandou Shares issued to him as a result of such exercise if Webster achieves a Relevant Interest in at least 50.1% of Tandou Shares and the Offer becomes unconditional.

7.2. Webster's interest in Tandou Shares

Immediately before this Offer was sent, Webster did not hold a Relevant Interest in Tandou Shares.

7.3. Ownership of Tandou

As at the date of this Bidder's Statement, Tandou's top 20 Shareholders held approximately 75% of all Tandou Shares. The largest Tandou Shareholders are entities associated with Mr David Cushing, a Director of Webster (which together hold approximately 10.07% of Tandou Shares) and Eagle Securities Limited for Pacor Secoma Trustees SA (as trustee for the Colombiers Trust) (which owns approximately 10% of Tandou).

The names of the substantial shareholders in Tandou, the number of Tandou Shares in which the substantial shareholder (and its Associates) have a relevant interest and the Voting Power of the substantial holder (and its Associates), as disclosed in notices of substantial holding and notices of change in substantial holding given to Tandou and filed at ASX as at the date of this Bidder's Statement, are:

Holder	Tandou Shares	Voting Power
Pacor Secoma Trustees S.A. (as trustee for the Colombiers Trust)	19,685,000	10.00
P F Agriculture Pty Ltd	15,657,331	7.95
Mr P Joy	15,086,362	7.66
Citicorp Nominees Pty Ltd	14,594,918	7.41
Mr A Sisson	12,530,000	6.37
Rel-Trust Management Limited	12,508,939	6.35

7.4. Recent trading of fully paid Tandou Shares

The Tandou Share price has fluctuated between \$0.33 and \$0.50 between July 2011 and May 2014. In May 2014 Tandou raised capital through the issue of 53.7 million fully paid Tandou Shares at \$0.47 per share.

The funds raised were used to pay down debt related to the acquisition of the Bundygoola land and water entitlement assets as well as to fund general working capital needs. Fully paid Tandou Shares

have traded steadily since this time at around \$0.44 per Tandou Share, and in the last 2 months have trended upwards with a VWAP of \$0.48 per fully paid Tandou Share.

Set out below is trading data regarding the price at which fully paid Tandou Shares have traded on ASX on various dates prior to the Announcement Date:

Date / Period	Open	High	Low	Close	VWAP	Volume
Last day of trading prior to Announcement Date	0.465	0.480	0.465	0.480	0.477	45,195
1 month period prior to the Announcement Date	0.440	0.480	0.440	0.480	0.455	2,025,176
6 month period prior to the Announcement Date	0.430	0.480	0.400	0.480	0.437	13,229,607
12 month period prior to the Announcement Date	0.465	0.534	0.400	0.480	0.454	35,759,889

Source: IRESS

8. Webster's Intentions

8.1. General

The intentions of Webster in relation to Tandou are set out in this Section 8 of the Bidder's Statement. These intentions have been formed on the basis of facts and information concerning Tandou, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Webster in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this Section are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

As explained in this document, the Bengerang Acquisition and the Offer are **not** interconditional. The Offer may proceed even if the Bengerang Acquisition does not. The intentions of Webster in relation to Tandou are not dependent on the Bengerang Acquisition. Accordingly, the intentions set out in this Section 8 of the Bidder's Statement reflect Webster's current intentions whether or not the Bengerang Acquisition is successful.

8.2. Rationale for the Offer

Webster's primary objective in making the Offer is to acquire significant high-security water entitlements and benefit from Tandou's expertise in the trading in water entitlements in the growing water market and to grow the property portfolio to facilitate growth in cotton and high value row cropping.

Tandou's water entitlement portfolio would significantly increase Webster's water security, provide greater opportunities for Webster to expand both existing walnut, cotton and other annual cropping production and also take advantage of opportunities to further diversify horticultural crops. The Directors consider the Tandou land holdings present further opportunities for expansion and diversification of agricultural production. Finally, the board of Webster will also receive the benefit of the expertise and experience of an existing Tandou non-executive director.

8.3. Webster intentions for the Merged Group

Webster will continue its measured growth in walnuts and this year and next year will complete the development of its new 900 hectare Avondale West orchard near Griffith. It is the intention of Webster to further develop the Kooba Aggregation and to grow the size of both the annual cropping and walnut operations.

Webster is exploring further expansion in walnuts and potentially other horticulture, possibly on its Kooba property at Darlington Point on the Murrumbidgee.

Webster is also developing new ground on the recently acquired Kooba Aggregation to increase row cropping on these properties. Further expansion may occur in subsequent years. This will be the subject of further board consideration at financial year end.

Webster's intentions with respect to Tandou are set out in Sections 8.4 to 8.8 (inclusive). Webster's intentions if the Bengerang Acquisition is successful are set out in Section 8.9.

8.4. Compulsory acquisition

If, as a result of the Offer, Webster becomes entitled to compulsorily acquire outstanding Tandou Shares under Part 6A.1 of the Corporations Act, Webster presently intends to proceed with compulsory acquisition of those Tandou Shares.

8.5. Strategic review

As Webster does not currently have access to all material information, facts and circumstances which are necessary to assess the operational, commercial, taxation and financial implications of its current intentions, final decisions on these matters have not been made. Upon the successful completion of the acquisition of Tandou, Webster will conduct a review of the strategy, operations, activities, assets

accounting policies and employees of Tandou in light of the information which then becomes available to it (**Review**).

Final decisions will only be reached in light of all material facts and circumstances. Accordingly, the statements set out in this Section are statements of current intention only which may change as new information becomes available or circumstances change.

8.6. Intentions generally

Except for the changes and intentions set out in this Section 8, Webster intends to, based on the information presently known to it:

- (a) arrange for Tandou to be removed from the Official List of the ASX
- (b) replace all members of the Tandou board with nominees of Webster which will comprise Webster Directors (including any Tandou nominees to the Webster Board) and members of the Webster's management team;
- (c) continue the present operation of the Tandou Farms pending the Review;
- (d) to continue the business of Tandou pending the Review;
- (e) not to make any major changes to the business of Tandou or the deployment of Tandou's assets pending the Review; and
- (f) the position of Tandou's employees will be considered as part of the Review. Should any employee be made redundant, Webster will offer a redundancy package consistent with market practice, the employee terms of employment and other legal obligations.

8.7. Intentions for Tandou if it is controlled by Webster

The intentions of Webster if Tandou becomes a controlled entity, but not a wholly-owned subsidiary of Webster, are set out in this Section 8.7.

- (a) *Webster appointed board:* After the end of the Offer Period, Webster intends, subject to the Corporations Act, Listing Rules and the constitution of Tandou to seek (through discussion and negotiation, but failing agreement, by convening a meeting of Tandou shareholders) to replace some of the members of the Tandou board with nominees of Webster, so that there is a majority of Webster nominees on the Tandou Board and the proportion of such nominees is not less than the Voting Power of Webster. If Tandou remains listed on the ASX, Webster would consider, but not necessarily be bound by, the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Tandou Board. Replacement Tandou Directors have not yet been finally decided by Webster and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement Tandou Directors will be Directors of Webster;
- (b) *Possible delisting:* If there is limited spread of Tandou Shareholders, or limited volume of trading in Tandou Shares, following completion of the Tandou Offer, seek to arrange for Tandou to be removed from the Official List of the ASX;
- (c) *Operational and strategic review:* After the end of the Offer Period, Webster intends, through its nominees on the Tandou Board, to propose that Tandou undertake a review of Tandou's assets and operations, along similar lines to that described in Section 8.5. Webster intends, subject to the approval of the Tandou Board, to participate in this review; and
- (d) *Other:* Webster has not currently formed any intention in relation to the other assets of Tandou and will not do so until completion of the Review.

8.8. Limitations on intentions

The intentions and statements of future conduct set out in this Section 8 must be read as being subject to:

- (a) the law (including the Corporations Act) and the Listing Rules, including in particular the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and “related party” transactions given that, if Webster gains control of Tandou but does not acquire all of the Tandou Shares, it will be treated as a related party of Tandou for these purposes;
- (b) the legal obligation of the Tandou directors at the time, including any nominees of Webster, to act in good faith and the best interests of Tandou and for proper purposes and to have regard to the interest of all Tandou Shareholders (in which regard the role of independent directors of Tandou will also be important); and
- (c) the outcome of the Review.

8.9. Intentions if the Bengering Acquisition proceeds

If the Bengering Acquisition proceeds, Bengering will become a wholly owned subsidiary of Webster. On completion of the acquisition of Bengering, Webster proposes to undertake the following:

- (a) reconfigure the board of Bengering to comprise only Webster Directors;
- (b) complete the acquisition of the Medgun Assets in June 2015;
- (c) if completion has not occurred earlier, complete the acquisition of the Darling Farm Assets;
- (d) continue planting of existing Bengering land and the land acquired as part of the acquisition of the Darling Farm Assets and Medgun Assets;
- (e) where possible, to consolidate the Webster and Bengering debt facilities with a view to ensuring that Webster has access to sufficient expansion and working capital to achieve its objectives; and
- (f) as a part of the Review, make an assessment of the most optimal allocation of water and land assets across Bengering and Webster.

9. Impact on Webster

9.1. Introduction

The Bengerang Acquisition and the Offer are **not** interconditional. The Offer may proceed even if the Bengerang Acquisition does not (due to failure by Webster Shareholders to pass the necessary resolutions or non-satisfaction of other conditions). In recognition of this, this Section 9 presents the impact of the completion of the Offer both on a combined basis (i.e. assuming the Bengerang Acquisition completes) and separately (assuming the Bengerang Acquisition does not proceed).

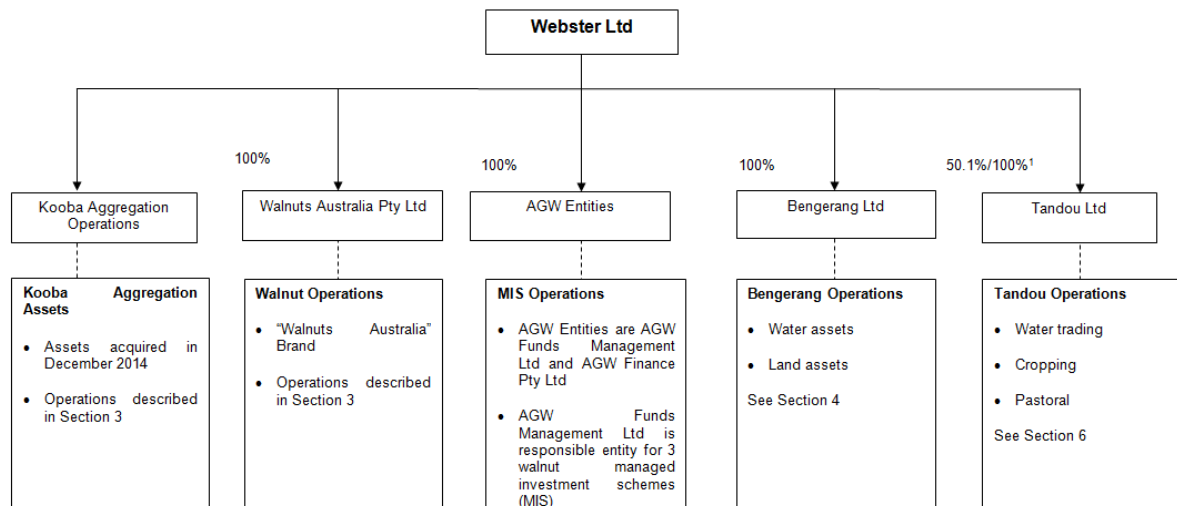
The Offer is subject to a minimum acceptance condition of 50.1%. If Webster achieves this minimum acceptance condition but does not receive acceptances for 90% or more of the issued Tandou Shares, Tandou will become a subsidiary of Webster but will not be a wholly owned subsidiary. This Section 9 also outlines the position of Webster in the event that Webster achieves acceptances of not less than 90% of the issued Tandou Shares.

9.2. Overview of Merged Group

If the Bengerang Acquisition proceeds, Bengerang will become a wholly owned subsidiary of Webster.

If the Offer proceeds and Webster achieves a Relevant Interest in at least 50.1% of Tandou Shares, Tandou will become a subsidiary of Webster. If Webster receives acceptances of not less than 90% under the Offer then Webster intends to compulsorily acquire the balance of Tandou Shares outstanding, in which circumstances Tandou would also become a wholly owned subsidiary of Webster.

Set out below is the structure of the operations of the Merged Group and Bengerang, assuming completion of the sale of Field Fresh Tasmania (see Section 3.3 for further details of this sale). The diagram has been prepared in a simplified form and does not name each subsidiary that would form part of the Merged Group.



Notes:

1. Webster's interest in Tandou will depend on the level of acceptances received under the Offer.

If the Bengerang Acquisition proceeds, the Merged Group (including Bengerang) will hold the following:

- Over 240,000 megalitres of water entitlements representing possibly the largest private portfolio of water entitlements in Australia;

- Walnut orchards in NSW and Tasmania with annual production of approximately 7,000 tonnes, reinforcing Webster's position as the largest walnut producer in Australia; and
- Over 42,000 hectares of irrigation land suitable for cotton and other annual crop farming operations with operations geographically spread across northern and southern NSW.

The key assets and operations of Webster following completion of the Offer (based on land and water held as at 31 December 2014) is illustrated below.

Key assets/operations	Webster	Merged Group ^{1,2}	Merged Group and Bengerang ²
Land			
– Irrigated	11,836 ha	33,406 ha	42,605 ha
– Orchard	2,692 ha	2,692 ha	2,692 ha
– Dryland	-	-	2,388 ha
– Grazing	33,122 ha	150,784 ha	162,676 ha
– Other	3,446 ha	7,294 ha	9,087 ha
	51,096 ha	191,816 ha	219,448 ha
Water			
– High Security	3,868 ML	21,333 ML	21,333 ML
– General Security	47,843 ML	105,241 ML	122,871 ML
– Supplementary/groundwater	25,408 ML	34,558 ML	42,475 ML
– Unregulated/other	21,432 ML	21,432 ML	54,054 ML
	98,551 ML	182,564 ML	240,733 ML

Note:

1. Includes 1,400 ha for Pevensey Irrigation leased to Tandou.
2. Land has been allocated between the various operations pursuant to valuations conducted by Webster.

9.3. Management of Webster following the Offer

Following the Offer, a non-executive director of Tandou, nominated by Tandou, will be invited to join the Webster board. See Section 13.2 for further details.

The Webster administrative office and its senior management have historically been based in Tasmania. These transactions, coupled with Webster's majority NSW asset base and the sale of its Tasmanian onion operation, Field Fresh Tasmania (due to complete on the 30 of June 2015) will see Chief Executive Officer, John Hosken, relocate to the Riverina, NSW. The senior walnut management team at Webster located in the Riverina will remain unchanged and retain their sole focus on the walnut operation.

On completion of the Bengerang Acquisition, AFF and Webster will enter into a new management agreement to replace the two existing agreements with Webster and Bengerang. Webster Shareholder approval for the entry into this new management agreement is being sought by Webster. Approval and execution of this agreement is a condition precedent to the Bengerang Acquisition.

If the Bengerang Acquisition does not complete, AFF will continue to manage the Kooba Aggregation assets acquired by Webster in December 2014. See Section 3.8 for details of AFF's experience.

9.4. Unaudited proforma statement of financial position

The proforma statement of financial position of Webster set out below has been prepared to illustrative the financial position of Webster assuming that the following transactions occurred as at 31 December 2014.

Summarised below is the balance sheet of Webster as at 31 December 2014 together with pro forma balance sheets as at 31 December 2014 assuming:

- (a) completion of the Offer at 50.1% acceptance under the Offer (**Scenario 1**), and 100% acceptance under the Offer (**Scenario 2**) without completion of the Bengerang Acquisition; and
- (b) completion of the Bengerang Acquisition with completion of the Offer at 50.1% acceptance under the Offer (**Scenario 3**) and 100% acceptance under the Tandou Offer (**Scenario 4**).

These proforma statements of financial position are intended to be illustrative and will not reflect the actual position and balances of Webster as at 31 December 2014 or at the date of completion of the Bengerang Acquisition and/or the Offer.

The proforma statements of financial position are presented in summary form only and do not comply with the presentation and disclosure requirements of Australian Accounting Standard. Webster's financial information has been prepared in accordance with the significant accounting policies set out in note 1.5 to the notes to the financial statements contained in Webster's 2014 Annual Report.

	WBA ¹	Scenario 1 WBA & TAN (50.1%) ³	Scenario 2 Merged Group ⁴	Scenario 3 WBA & BEN & TAN (50.1%) ⁵	Scenario 4 Merged Group and Bengerang
	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash and cash equivalents	2,229	2,354	2,354	7,472	7,472
Trade and other receivables	6,784	11,810	11,810	12,246	12,246
Inventories	23,985	25,269	25,269	26,025	26,025
Inventories - water	-	86,990	86,990	86,990	86,990
Current tax assets	812	812	812	812	812
Biological assets	786	18,299	18,299	21,297	21,297
Other assets	880	880	880	1,021	1,021
Investments	-	50	50	50	50
Assets held for sale	9,511	9,511	9,511	9,511	9,511
Total current assets	44,986	155,974	155,974	165,423	165,423
Non-Current Assets					
Trade and other receivables	3,167	3,167	3,167	3,167	3,167
Property, plant and equipment	8,287	15,216	15,216	18,438	18,438
Property, biological assets & water rights	188,225	238,535	238,535	353,753	353,753
Liabilities assumed by Bengerang investors				10,570	10,570
Investment property	817	817	817	817	817
Loan receivable	-	2,132	2,132	2,132	2,132
Deferred tax assets	3,480	3,480	3,480	7,447	7,447
Intangibles - water rights	-	-	-	-	-
Goodwill	-	-	-	6,145	6,145
Intangibles - other	2,504	2,504	2,504	2,506	2,506
Total non-current	206,480	265,851	265,851	404,975	404,975

		Scenario 1	Scenario 2	Scenario 3	Scenario 4
	WBA ¹	WBA & TAN (50.1%) ³	Merged Group ⁴	WBA & BEN & TAN (50.1%) ⁵	Merged Group and Bengerang
	\$'000	\$'000	\$'000	\$'000	\$'000
assets					
Total assets	251,466	421,825	421,825	570,398	570,398
Current Liabilities					
Trade and other payables	8,118	13,142	13,142	14,858	14,858
Borrowings	55,656	80,656	80,656	84,618	84,618
Current tax liability	-	1,394	1,394	1,394	1,394
Other financial liabilities	300	300	300	300	300
Provisions	780	1,744	1,744	1,783	1,783
Total current liabilities	64,854	97,236	97,236	102,953	102,953
Non-Current Liabilities					
Borrowings	60,994	70,994	70,994	86,763	86,763
Deferred tax liabilities	6,836	14,298	14,298	17,553	17,553
Provisions	162	297	297	308	308
Total non-current liabilities	67,993	85,590	85,590	104,625	104,625
Total liabilities	132,846	182,825	182,825	207,577	207,577
Net assets	118,619	238,999	238,999	362,820	362,820
Issued capital	91,433	141,910	192,186	265,731	316,007
Retained earnings/reserves	27,186	37,019	46,813	37,019	46,813
Non-controlling interests	-	60,070	-	60,070	-
Total Equity	118,619	238,999	238,999	362,820	362,820

Notes:

- The column headed "WBA" sets out the audit-reviewed statement of financial position for Webster as at 31 December 2014 included in the Appendix 4D released to ASX on 27 February 2015 adjusted to take account of the following:
 - the valuations of land, biological assets and water rights ascribed by CBRE and Colliers to those assets as set out in the Independent Expert Report; and
 - Webster's payment of transaction costs of \$750,000.
- The column headed "Scenario 1 WBA & TAN (50.1%)" has been drawn from the information included in the column headed "WBA" and the audit reviewed statement of financial position of Tandou included in its Appendix 4D released to ASX on 27 February 2015 adjusted to take account of the valuations of land, biological assets and water rights ascribed by CBRE to those assets (see Section 5 for further details). This column sets out the position of Webster as if the following had taken place as at 31 December 2014:
 - Webster had completed the Offer and had received acceptances in respect of 98,550,104 fully paid Tandou Shares (assuming the exercise of options to be issued 250,000 Tandou Shares) and no Partly Paid Tandou Shares representing 50.1% of the issued share capital of Tandou in consideration for the issue of 43,893,302 Webster Shares at an issue price of \$1.15 per Webster Share;
 - Webster had paid transaction costs of \$750,000.

3. The column headed "Scenario 2 Merged Group" has been drawn from the information included in the column headed "WBA" and the audit reviewed statement of financial position of Tandou included in its Appendix 4D released to ASX on 27 February 2015 adjusted to take account of the valuations of land, biological assets and water rights ascribed by CBRE to those assets (see Section 5 for further details) This column sets out the position of Webster as if the following had taken place as at 31 December 2014:
 - (a) Webster had completed the Offer and had received acceptances in respect of 197,100,209 fully paid Tandou Shares (assuming the exercise of options to be issued 250,000 Tandou Shares) and 165,000 Partly Paid Tandou Shares representing 100% of the issued share capital of Tandou in consideration for the issue of 87,611,382 Webster Shares at an issue price of \$1.15 per Webster Share; and
 - (b) Webster had paid transaction costs of \$750,000.
4. The column headed "Scenario 3 WBA & BEN & TAN (50.1%)" is drawn from the unaudited statement of financial position of Bengerang as at 31 December 2014 adjusted to take account of the valuations of land, biological assets and water rights ascribed by CBRE to those assets as set out in the Independent Expert Report, the audit reviewed statement of financial position of Tandou as at 31 December 2014 included in the Appendix 4D released to the ASX by Tandou on 27 February 2015 adjusted to take account of the valuations of land, biological assets and water rights ascribed by CBRE to those assets (see Section 5 for further details) This column sets out the position of Webster on the assumption that the following had been completed as at 31 December 2014:
 - (a) Webster completed the Bengerang Acquisition in consideration for the issue of 107,670,120 Webster Shares at an issue price of \$1.15 per Webster Share;
 - (b) prior to completion of the Bengerang Acquisition, each of the transactions the subject of proforma adjustments set out in the unaudited proforma statement of financial position of Bengerang included in Section 4.9 had been completed;
 - (c) Webster had completed the Offer and had received acceptances in respect of 98,550,104 fully paid Tandou Shares (assuming the exercise of Tandou Options to be issued 250,000 Tandou Shares) and no Partly Paid Tandou Shares representing 50.1% of the issued share capital of Tandou in consideration for the issue of 43,893,302 Webster Shares at an issue price of \$1.15 per Webster Share;
 - (d) Webster had paid transaction costs of \$750,000.
5. The column headed "Scenario 4 Merged Group and Bengerang (100%)" is drawn from the unaudited statement of financial position of Bengerang as at 31 December 2014 adjusted to take account of the valuations of land, biological assets and water rights ascribed by CBRE to those assets (see Section 5 for further details) and the audit-reviewed statement of financial position of Tandou as at 31 December 2014 included in the Appendix 4D released to the ASX by Tandou on 27 February 2015. This column sets out the position of Webster on the assumption that the following had been completed as at 31 December 2014:
 - (a) Webster completed the Bengerang Acquisition in consideration for the issue of 107,670,120 Webster Shares at an issue price of \$1.15 per Webster Share;
 - (b) prior to completion of the Bengerang Acquisition, each of the transactions the subject of proforma adjustments set out in the unaudited proforma statement of financial position of Bengerang included in Section 4.9 had been completed;
 - (c) Webster had completed the Tandou Offer and had received acceptances in respect of 197,100,209 fully paid Tandou Shares (assuming the exercise of Tandou Options to be issued 250,000 Tandou Shares) and 165,000 Partly Paid Tandou Shares representing 100% of the issued share capital of Tandou in consideration for the issue of 87,611,382 Webster Shares at an issue price of \$1.15 per Webster Share; and
 - (d) Webster had paid transaction costs of \$750,000.

9.5. Pro forma historical income statement

A pro forma consolidated income statement for the Merged Group has not been prepared as the presentation of this information without adjusting for the impacts of the acquisition would not present meaningful information and may be misleading.

Determination of the actual deemed purchase consideration and the allocation of any excess consideration over book values to individual assets, and the subsequent depreciation and amortisation that will impact the Merged Group, will be based on future events which are uncertain and require a detailed analysis of the fair value of individual assets and liabilities to be undertaken. Webster has 12 months from the date of acquisition to determine fair values and the allocation of the purchase price.

9.6. Forecast financial information for the Merged Group

Webster has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information for the Merged Group. The Webster Directors have concluded that, as at the date of this Bidder's Statement, and given the Bengerang Acquisition is not interconditional with the Offer, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of the Merged Group in any period will be influenced by the success or otherwise of the Bengerang Acquisition as well as various factors that are outside the control of the Webster Directors and that cannot, at this time, be predicted with a high level of confidence. In particular, if any of the risks identified in Section 11 materialised, the financial performance of Webster could be materially affected.

9.7. Gearing

Implementation of the Offer and the Bengerang Acquisition would substantially reduce gearing ratios of Webster. With the purchase of the Kooba Aggregation in December 2014 gearing (interest bearing debt to total assets) increased to over 46%. The gearing for Webster currently and in each of Scenarios 1 to 4 (as described in Section 9.4 above) is set out below.

Gearing Ratio¹				
WBA	Scenario 1 WBA & TAN (50.1%)	Scenario 2 Merged Group	Scenario 3 WBA & BEN & TAN (50.1%)	Scenario 4 Merged Group and Bengerang (100%)
46%	35% ²	35%	29% ²	29%

Notes:

1. Gearing ratio comprises interest bearing debt net of cash divided by total assets. These ratios are derived from the unaudited proforma consolidated balance sheets included in Section 9.4.
2. Gearing ratio does not take account of outside equity interest of minority shareholders in Tandou.

9.8. Capital structure after the Offer

The capital structure of Webster currently and in each of Scenarios 1 to 4 (as described in Section 9.4 above) is set out below.

Webster Shares					
		As at the date of this Bidder's Statement	Following the Bengerang Acquisition	Following the Offer¹	Total
Current position	No.	155,463,093	-	-	155,463,093
	%	100.0%	-	-	100.0%
Offer only at 50.1% acceptance (Scenario 2)	No.	155,463,093	-	43,893,302	199,356,395
	%	78.0%	-	22.0%	100.0%
Offer only at 100% acceptance (Scenario 3)	No.	155,463,093	-	87,611,382	243,074,475
	%	64.0%	-	36.0%	100.0%
Bengerang and Offer acceptance (Scenario 4)	No.	155,463,093	107,670,120	43,893,302	307,026,515
	%	50.6%	35.1%	14.3%	100.0%
Bengerang and Offer acceptance (Scenario 5)	No.	155,463,093	107,670,120	87,611,382	350,745,595
	%	44.3%	30.7%	25.0%	100.0%

Notes:

1. The number of Webster Shares issued pursuant to the Offer may vary from those set out above due to rounding of entitlements.
2. The above proforma capital structure does not reflect the capital structure of Webster if the Offer proceeds but Webster does not achieve acceptances representing 50.1% or more of the issued capital of Tandou. The Offer is subject to a minimum acceptance condition of 50.1%. While Webster does not presently intend to do so, it is open to

Webster to declare the Offer free of this minimum acceptance condition. If Webster does so, the percentage of the Shares in Webster held by existing Shareholders and Shares issued pursuant to the Bengenang Acquisition will be higher than those outlined above and the percentage of Shares issued pursuant to the Offer will be lower.

9.9. Impact on control

The substantial holders in Webster and the New Investors (investors who will acquire Webster Shares at completion of the Bengenang SPA) and their voting power in Webster currently and in each of Scenarios 1 to 4 (as described in Section 9.4 above) is set out below.

Substantial Holder ¹	Christopher Corrigan and Belfort ²	AFF Persons ²	Peter Joy	Verolot ²	Entities associated with David Cushing	Kaplan Equity Limited	Eagle Securities Limited ³
Current voting power	15.33%	11.25%	11.41%	8.55%	7.35%	0.00%	3.17%
On Tandou Acquisition only at 50.1% acceptances (Scenario 1)	12.64% ⁴	8.77%	12.26% ⁴	6.67%	10.15% ⁴	0.00%	6.86% ⁴
On Tandou Acquisition only at 100% acceptances (Scenario 2)	10.36%	7.19%	10.06%	5.47%	8.33%	0.00%	5.63%
On Bengenang Acquisition and Tandou Acquisition at 50.1% acceptances (Scenario 3)	14.04% ⁴	17.60%	7.96% ⁴	10.49%	6.59% ⁴	9.91%	5.71% ⁴
On Bengenang Acquisition and Tandou Acquisition at 100% acceptances (Scenario 4)	12.29%	15.40%	6.97%	9.18%	5.77%	8.68%	5.00%

Note:

1. The above table does not reflect the capital structure of Webster if the Tandou Acquisition proceeds but Webster does not achieve acceptances representing 50.1% or more of the issued capital of Tandou. The Offer is subject to a minimum acceptance condition of 50.1%. While Webster does not presently intend to do so, it is open to Webster to declare the Offer free of this minimum acceptance condition. If Webster does so, the percentage of the Shares in Webster held by existing Shareholders and Shares issued pursuant to the Bengenang Acquisition will be higher than those outlined above and the percentage of Shares issued pursuant to the Offer will be lower.
2. The voting power of each of Christopher Corrigan and Belfort, the AFF Persons and Verolot do not include voting power arising as a result of an association between them as a result of entry into the Bengenang SPA. This association which may exist at the time of the agreement of Bengenang vendors to all sell their interests in Bengenang to Webster, ceases when the Bengenang transaction completes.
3. The above table reflects Tandou Shares in which Eagle Securities Limited holds a Relevant Interest. The table includes the 19,685,000 Tandou Shares held by Eagle Securities Limited on behalf of Pacor Secoma Trustees S.A. (as trustee for the Colombiers Trust)
4. Belfort, Peter Joy, entities associated with David Cushing and Eagle Securities Limited hold shares in Tandou. The voting power of these shareholders assumes that Tandou shareholders holding 50.1% of the issued shares in Tandou accept the Offer for all of their shares and that these shareholders are included in the Tandou Shareholders who have accepted the Offer.
5. Further details about the New Investors and the Webster Shares they will acquire if the Bengenang Acquisition completes is set out in Section 3.6 of the Shareholders Booklet.

10. Sources of Bid Consideration

10.1. Consideration under the Offer

The consideration for the acquisition of the Tandou Shares to which the Offer relates will be satisfied by the issue of Webster Shares.

10.2. Shares consideration

Based on the number of Tandou Shares and Tandou Options on issue as at the date of this Bidder's Statement, the maximum number of Webster Shares that would be required to settle acceptances under the Offer is 87,611,382.

10.3. Webster Shareholder approval

Webster requires Webster Shareholder approval for the acquisition of Tandou Shares from the following Tandou Shareholders, Peter Joy and the Cushing Entities. Listing Rule 10.1 provides that prior approval of shareholders is required for an acquisition by a company of a substantial asset from a substantial holder with a relevant interest of 10% or more in the company. An asset is a substantial asset if its value is 5% or more of the equity interests of the company set out in the latest accounts given to ASX under the Listing Rules.

The Cushing Entities are controlled by David Cushing, a Director of Webster. They hold 19,829,870 Tandou Shares, representing 10.07% of the current issued capital of Tandou.

Peter Joy holds 17,731,039 Webster Shares, representing 11.41% of the current issued capital of Webster. He also holds 15,086,362 Tandou Shares, representing 7.7% of the current issued capital of Tandou.

The Tandou Shares held by the Cushing Entities and Peter Joy constitute substantial assets for the purposes of Listing Rule 10.1. As such, Shareholder approval is being sought under Listing Rule 10.1 to permit the acquisition of the Tandou Shares from the Cushing Entities and Peter Joy respectively.

Further details of Webster Shareholder approvals sought in relation to the Offer are set out in a Shareholder's Booklet dated 15 April 2015 and released to the market via the ASX on that date.

Other than set out above, Webster does not require Webster Shareholder approval to issue Webster Shares as Offer Consideration. Listing Rule 7.2 exception 5 exempts any issue of Webster Shares issued as consideration for a takeover bid under Chapter 6 of the Corporations Act from the requirement to obtain Webster Shareholder approval.

10.4. Provision of Offer Consideration

Subject to the fulfilment or waiver of the Conditions to the Offer, Webster is of the opinion that it has reasonable basis for holding the view, and holds the view, that Webster will be able to provide the Offer Consideration.

11. Risk Factors

11.1. Risk factors associated with owning Webster Shares

If the Offer becomes unconditional, Tandou Shareholders who accept the Offer will become shareholders in Webster. In that event, Tandou Shareholders will:

- continue to be indirectly exposed to the risks associated with having an interest in Tandou's assets and general economic, share market and industry risks;
- become exposed to additional risks, through their holding of Webster Shares, which are specific to Webster and its current operations and, if the Bengelang Acquisition proceeds, Bengelang; and
- become exposed to additional risks relating to the Offer.

The financial performance and operations of Webster's businesses, including the businesses of the Merged Group, or if the Bengelang Acquisition proceeds, the Merged Group and Bengelang, the price of Webster Shares and the amount and timing of any dividends that Webster pays will be influenced by a range of factors. Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many of these factors are beyond the control of Webster and the Webster Board. Many of these factors also affect the businesses of other companies operating in the same industry.

Section 11 provides a summary, which is not exhaustive, of some of the major risk factors associated with an investment in Webster. Tandou Shareholders should consider carefully these risk factors and the other information contained in this Bidder's Statement.

11.2. Risks relating to the Webster businesses

(a) *Risks overview*

Key business risks include agricultural risks such as climate and seasonal conditions, pest and disease, commodity prices and currency variations. These risks can impact on both crop yield and commodity prices and subsequently earnings.

Other key risks include interest rate movements, access to funding, retention of key management personnel, and government policy intervention, all of which can impact on the Merged Group's ability to carry out its normal business operations in an efficient and cost effective manner.

Within Tandou's businesses, significant revenue is derived from the trading of water entitlements and allocations. The returns from this segment of the business are difficult to forecast. The opportunistic nature of these transactions may impact the future earnings of Tandou's business. Following completion of the Offer, the Merged Group will be exposed to the risks associated with the trading of water entitlements. The business operations of the Merged Group, will be more diverse than Tandou's current operations (particularly if the Bengelang Acquisition proceeds). This diversity will reduce exposure to risks associated with water trading.

(b) *Margins, price and costs*

Sales are impacted by the market price of products sold which are subject to market forces of supply and demand. Specifically, the sales are subject to global pricing patterns.

Margins are impacted by the cost of inputs such as growing costs including chemicals, fertilizers and water, processing costs including labour, and freight costs.

Management fee income is based on a combination of fixed fee based amounts, and variable fee based amounts linked to price. The realisation of variable fee amounts will impact margins in the business.

(c) *Water availability*

Webster requires access to water for production of its products. Webster has ownership of permanent and access to temporary water rights which will support the growing of its NSW walnut crops under best horticultural practice. If the Offer is successful, Tandou's water entitlement portfolio will significantly increase Webster's water security. Should water allocations not be at 100%, which due to impact of droughts has been the experience over recent years, the cost of temporary water may increase, which would increase the cost of production.

Webster is more reliant on natural rainfall for its Tasmanian production. The impact of droughts can negatively affect crop yield and quality. Tasmania has not experienced nor is it as susceptible to droughts compared to the mainland.

(d) *Credit risk*

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from receivables from customers. Tandou has identified this risk as material to its business operations. Tandou's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Tandou does not require collateral in respect of trade and other receivables.

Tandou has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Webster makes provisions for doubtful debts on a semi annual basis. These are taken to account as determined appropriate by Webster Directors and as advised by executive management.

(e) *Liquidity risk*

Liquidity risk is the risk that financial obligations cannot be met as they fall due.

Tandou has a bank overdraft with a limit of \$2.5 million which, as at 31 December 2014, was wholly undrawn and secured bill facilities of \$69.0 million which, as at 31 December 2014, was drawn to \$35.0 million, leaving an undrawn amount of \$34.0 million. The bank overdraft and bank loans are secured by first mortgages over all of Tandou's freehold and leasehold land and by an equitable charge over water entitlements.

It is a review event under these facilities if Webster obtains voting power of more than 50% as a result of the Offer. It is also an event of default under these facilities if Tandou is removed from the official list of ASX. The occurrence of either of these events would entitle the financier to require immediate repayment of the facilities. There can be no guarantee that Webster would be able to refinance these facilities on terms as favourable as the current facilities or at all. Webster may suffer a loss if this was to occur.

(f) *Currency risk*

Export sales are made in a number of currencies predominately Euro, Japanese Yen, US dollars and Great British Pounds and translated to Australian dollars. Accordingly Webster is exposed to movements in the value of these currencies against the Australian dollar.

The impact of exchange rate movements will vary from time to time and is dependent on any hedging entered into, the levels at which hedging contracts are arranged and the duration of hedging contracts. The impact of movements in exchange rates may be negative depending on their direction, timing and magnitude.

When necessary, Webster uses forward exchange contracts to hedge its currency risk.

(g) *Interest rate risk*

Webster and Tandou have significant borrowings and are exposed to risks arising as a result of changes in interest rates on these. Implementation of the Offer alone or together with the Bengerang Acquisition would substantially reduce these gearing ratios. See Section 9.7.

(h) *Product liability*

The nature of products supplied by Webster is that of a consumable food product. Such products may be liable to infestation, mould and other biological impacts which occur in natural products. Such products may also be subject to processing defaults against specification.

(i) *Fire*

Webster's processing facilities and walnut orchards are located in rural areas and therefore could be affected by a bushfire, which could in turn have an adverse effect on Webster's business and the profitability of Webster.

(j) *Completion risk*

Webster is subject to the usual risk of counterparties not proceeding with agreements that have been entered into and which could affect Webster's business. For example, Webster's agreement with Dandaragan Farms Pty Ltd and North East Equity Pty Ltd, jointly trading as Sumich, to sell the Field Fresh Tasmania onion operations.

11.3. Risks relating to the Offer and the Bengerang Acquisition(a) *Acquisition risk*

There can be no assurance that Webster will be successful in realising the anticipated benefits and synergies of Tandou's or Bengerang's businesses. The ability to realise these benefits will depend in part on whether Webster can efficiently integrate acquired businesses with its existing operations. In addition, the conduct and timing of the integration of Webster and Tandou will depend on the results of the Review referred to in Section 8.5. This may adversely impact financial performance.

(b) *Completion risk*

The Offer is being made in conjunction with the Bengerang Acquisition. The Bengerang Acquisition and the Offer are not interconditional. The Offer may be declared unconditional in circumstances where the Bengerang Acquisition does not proceed. If the Bengerang Acquisition does not proceed, Tandou Shareholders who accept the Offer will not gain exposure to the Bengerang assets. The Directors of Tandou recommend Tandou Shareholders accept the Offer even if the Bengerang Acquisition does not proceed.

(c) *Completion of outstanding transactions*

Bengerang has entered into a number of contracts to acquire further land and water assets as outlined in Section 3.11. With the exception of the property known as Medgun, these are scheduled to complete prior to completion of the Bengerang Acquisition. The consideration payable by Webster on completion of the Bengerang Acquisition has been agreed on the basis that all of these transactions do complete.

It is a condition precedent to completion of the Bengerang Acquisition that these transactions have either completed or that they remain on foot and Webster is satisfied that they are likely to complete. Therefore, Webster can ensure completion of these assets, except for Medgun, before undertaking the Bengerang Acquisition.

There is a risk that the Medgun acquisition will not complete following completion of the Bengerang Acquisition. This may result in a loss to Webster.

(d) *Limited Acceptance Risk*

The Offer is subject to a 50.1% minimum acceptance condition. If Webster achieves voting power in Tandou prior to the end of the offer period of 90% or more, it will be in a position to undertake compulsory acquisition of all remaining Tandou Shares and Tandou will become a wholly owned subsidiary of Webster.

If this threshold for compulsory acquisition is not achieved but Webster satisfies its minimum acceptance condition of 50.1% of Tandou, Webster will be in a position to determine the financial and operating policies of Tandou and so Tandou will become a subsidiary of Webster. However, the board of Tandou in these circumstances will be obliged to act bona fide in the best interests of shareholders of Tandou including minority shareholders holding Tandou Shares that Webster has not acquired under the Offer. Among other things:

- Webster may not be able to ensure that a special resolution of members of Tandou is passed unless its shareholding in Tandou exceeds 75%;
- Webster will not be in a position to include Tandou in a tax consolidated group which may place limitations on the efficient sharing of tax benefits between Webster and Tandou;
- the ability of Webster to realise synergies associated with the Tandou Acquisition may be constrained.

While Webster does not presently intend to do so, it is open to Webster to declare the Tandou Offer free from the 50.1% minimum acceptance condition. If Webster does waive this condition and does not achieve acceptances in respect of 50.1% of the issued Tandou Shares, Tandou will not become a subsidiary of Webster and Webster's ability to determine the financial and operating policies of Tandou may be constrained.

The ability of Webster to influence the affairs of Tandou will depend on, among other things, the extent of acceptances it receives under the Offer and subsequently, its ability to secure the appointment of its nominees to the board of Tandou and the composition of the remaining share register of Tandou. Webster's ability to realise synergies from the Offer will be further constrained in these circumstances.

(e) *Issue of Webster Shares*

Pursuant to the Offer, Webster will issue a significant number of new Webster Shares. The number of new Webster Shares issued will increase if the Bengerang Acquisition proceeds. Some Tandou Shareholders and, if the Bengerang Acquisition proceeds, some of the Bengerang Vendors and New Investors may not wish to continue to hold Webster Shares which they receive and may sell them on the ASX. Further, a nominee appointed by Webster (and approved by ASIC) will be issued any Webster Shares attributable to Foreign Ineligible Shareholders and will sell them.

If a significant number of Webster Shares are sold, or there is a significant number of Tandou Shares held by Foreign Ineligible Shareholders (resulting in a significant number of Webster Shares being sold by the nominee) the price at which Webster Shares are traded on ASX may be adversely affected.

(f) *Information on Tandou*

In preparing the information on Tandou and Bengerang included in this Bidder's Statement, Webster has primarily relied on publicly available information and information provided by Tandou and Bengerang respectively. Any inaccuracy in the information on Tandou or Bengerang contained in this Bidder's Statement could have an adverse impact on the financial performance of Webster following the Offer and the value of Webster Shares.

In addition, it is possible that additional risks may exist in relation to Tandou's and Bengerang's businesses which are unknown to Webster.

11.4. General investment risks

Tandou Shareholders should be aware that acquiring Webster Shares involves various risks. There are general risks associated with owning securities in publicly listed companies. The price of securities can go down as well as up due to factors outside the control of Webster or Tandou. These factors include Australian and worldwide economic and political stability, natural disaster, performance of the Australian stock market as a whole, and the Australian interest rates, foreign exchange, taxation and labour relations environments.

These are risks of investment which are considered beyond the control of Webster.

(a) *Possible volatility of Webster Share price*

The stock market has from time to time experienced significant price and volume fluctuations, which may be unrelated to the operating performance of particular companies. The market price of Webster Shares may be volatile and may go down as well as up. Factors that may have a significant impact on the market price and marketability of Webster Shares include announcements as to government regulation, variation in interest rates, the activities of any competitors, economic and other external factors, as well as fluctuations in Webster's operating results.

(b) *Regulation and publicity*

Changes to the regulatory environment for the industries in which Webster operates or any publicity may have an impact on Webster which may materially affect an investment.

(c) *Macro economic risks*

The general state of the Australian and international economies as well as changes in taxation, monetary policy, interest rates, statutory requirements and currency exchange rates may influence the profitability of Webster, and may affect the value of Webster Shares.

(d) *Taxation risks*

Tax liabilities are the responsibility of each individual investor, and Webster is not responsible either for taxation or penalties incurred by investors. Investors should consult their own taxation advisers to ascertain the tax implications of their investment.

(e) *Taxation considerations*

The effects of taxation can be complex and may change over time. A summary of the current Australian income tax implications associated with acceptance of the Offer is outlined in Section 12. However, this summary is general in nature and, as the circumstances for each Tandou Shareholder may vary, Tandou Shareholders should seek professional taxation advice in relation to their own position.

Changes to the taxation environment, including taxation laws and their commercial application may have a material adverse effect on a Tandou Shareholder's investment in Webster Shares or otherwise have a material adverse effect on Webster's business and financial position.

(f) *Future securities issues*

Subject to the Listing Rules, Webster may, without the approval of Webster Shareholders issue further Webster Shares or other securities. Any such issue may dilute the interest a Webster Shareholder will have in Webster.

(g) *Regulatory changes*

Changes to the regulatory environment, including the Corporations Act and ASIC policy and their commercial application may have a material adverse effect on a Webster Shareholder's investment in Webster Shares or otherwise have a material adverse effect on Webster's business and financial position.

11.5. Note on risk factors

The above list of general and specific risk factors should not be taken as exhaustive of the risks faced by Webster, Tandou, Bengenang or by Tandou Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Webster and Tandou and the value of Webster Shares. Therefore, Webster Shares carry no guarantee with respect to the payment of dividends or returns of capital. Neither Webster nor any of its Directors guarantees that any specific objectives of Webster and Tandou will be achieved or that any particular performance of Webster, Tandou or of Webster Shares will be achieved.

12. Taxation Implications

12.1. Introduction

The following is a broad outline of the principal Australian income tax consequences for Australian resident individual and company Tandou Shareholders associated with acceptance of the Offer and issue of Webster Shares. This outline is not exhaustive of all possible income tax considerations that could apply to particular Tandou Shareholders. There are a number of limitations to the outline including that:

- (a) it applies only to Australian resident individual and company taxpayers. It does not cover the tax treatment for any other classes of taxpayers including individuals who are non-residents of Australia for tax purposes, insurance organisations, superannuation funds, trusts or employees of Tandou who acquired their Tandou Shares in respect of their employment;
- (b) it applies only where Tandou Shareholders hold their Tandou Shares on capital account. It does not apply where the Tandou Shares are held on revenue account (eg. shares held by Tandou Shareholders who trade in Securities or hold Tandou Shares as trading stock); and
- (c) it is based on Australian tax law in effect at the date of this Bidder's Statement. It does not consider or anticipate any changes in the law (including changes to legislation, judicial authority or administrative practice).

Webster and its advisers do not accept any liability or responsibility in respect of any statement concerning the taxation consequences of the Offer or in respect of the taxation consequences themselves. All Tandou Shareholders, and particularly those shareholders whose situation is not addressed in this outline as noted above, should consult their own independent professional tax advisers regarding the tax consequences of disposing of Tandou Shares and acquiring Webster Shares.

12.2. Acceptance of the Offer and disposal of Tandou Shares

Capital gain or loss

The disposal of Tandou Shares by a Tandou Shareholder pursuant to the Offer constitutes a Capital Gains Tax (CGT) event for Australian income tax purposes.

Tandou Shareholders may realise a capital gain or a capital loss in respect of the disposal of their Tandou Shares (refer to Section 9.2(b) below), subject to the availability of scrip for scrip roll-over relief (refer Section 9.2(c) below).

In certain circumstances, Tandou Shareholders may be eligible to apply the CGT discount to reduce their assessable capital gain (the eligibility requirements for the CGT discount are discussed in the following paragraphs). The relevant rate of the CGT discount is 50% for individuals, and 33 1/3% for complying superannuation funds.

- (a) Where roll-over relief is unavailable or not chosen

To the extent that scrip for scrip roll-over relief is not available (eg if Webster does not achieve an 80% level of acceptance) or is not accessed (eg the Tandou Shareholder is not a resident of Australia for taxation purposes, or the Tandou Shareholder chooses not to access roll-over relief), the tax consequences should be as follows:

- a capital gain should arise to the extent that the capital proceeds from the disposal of Tandou Shares (being either the cash consideration or the issue price of Webster Shares) exceeds the cost base of the Tandou Shares (or, in some cases, the indexed cost base); or
- a capital loss should be realised to the extent the capital proceeds received by a Tandou Shareholder are less than the reduced cost base of the Tandou Shares.

Any capital gain realised in respect of the disposal of the Tandou Shares should be included in the Tandou Shareholder's assessable income in the tax year in which the Offer is accepted (unless the resulting capital gains are completely offset against other capital losses of the Tandou Shareholder). Capital losses may be applied against any other capital gains derived by the Tandou Shareholder in the same year. Any unapplied capital losses may be carried forward to be applied against future capital gains.

The availability of indexation or a CGT discount in calculating the amount of the capital gains included in assessable income depends on the date of acquisition of the Tandou Shares whether the Shareholders are companies or individuals and the choice made by these Tandou Shareholders (refer to Section 9(c) below).

Tandou Shares acquired after 11.45am on 21 September 1999.

If Tandou Shares are held by an individual and:

- they were acquired after 11.45am on 21 September 1999; and
- have been held for more than 12 months before the date on which the Tandou Shareholder accepted the Offer,

then the CGT discount referred to above should generally be available.

There is no entitlement to indexation of the cost base for the Tandou Shareholder in these circumstances.

It should be noted that the CGT discount is not available where Tandou Shares are held by a company.

(b) Scrip for scrip roll-over relief

Subdivision 124-M of the Income Tax Assessment Act 1997 provides scrip for scrip roll-over relief where shareholders dispose of some or all of their shares in one company in exchange for shares in another company. Roll-over relief may be available where:

- a Tandou Shareholder receives Webster Shares in consideration for the disposal of some or all of their Tandou Shares under the Offer;
- as a result of the Offer, Webster obtains 80% or more of the Tandou Shares;
- the Tandou Shareholder acquired their Tandou Shares on or after 20 September 1985 and, but for the roll-over, a capital gain would arise from the exchange;
- the relevant Tandou Shareholder is an Australian resident; and
- the relevant Tandou Shareholder chooses that the roll-over applies.

Webster is not in a position to confirm that the 80% requirement will be satisfied for the purposes of determining whether roll-over relief will be available to the Tandou Shareholders. Should this 80% requirement not be satisfied, scrip for scrip roll-over relief may not be available.

Where scrip for scrip rollover relief is accessed, any capital gain resulting from the disposal by Tandou Shareholders of Tandou Shares pursuant to the Offer is disregarded. Furthermore, Webster Shares should be deemed to have the same cost base and acquisition date for CGT purposes as the corresponding Tandou Shares disposed.

As a result of accessing scrip for scrip rollover relief, the CGT implications should be effectively deferred until the relevant Tandou Shareholders dispose of Webster Shares acquired pursuant to the Offer.

All Tandou Shareholders, and particularly those not covered by this outline as noted above, should obtain their own independent professional taxation advice as to whether and how a roll-over election should be made.

12.3. Disposal of Webster Shares

The income tax consequences of any disposal by a Tandou Shareholder of Webster Shares should be broadly the same as for the disposal of Tandou Shares as described in Section 12.2, subject to the differences outlined below.

Webster Shares acquired where roll-over election was made

Where a choice to apply scrip for scrip roll-over relief was available and was made by a Tandou Shareholder in respect of the disposal of Tandou Shares, the cost base of Webster Shares issued to the Tandou Shareholder under the Offer is equal to the cost base of the Tandou Shares that were exchanged for Webster Shares which will be apportioned across Webster Shares on a reasonable basis. Accordingly, the cost base of Webster Shares may include indexation to 30 September 1999 if the Tandou Shares were acquired on or before 11.45am on 21 September 1999, unless the CGT discount is applied in relation to the disposal of Webster Shares.

Individual Tandou Shareholders may determine whether Webster Shares have been held for at least 12 months for the purpose of applying the CGT discount in relation to any capital gain as a result of disposing of Webster Shares (see Section 9.2(b) above) by reference to the date that they acquired the Tandou Shares. Therefore, if the combined period during which the Tandou Shareholder held the Tandou Shares and Webster Shares is at least 12 months, the Tandou Shareholder may be entitled to apply the CGT discount in respect of the disposal of Webster Shares.

Webster Shares acquired where roll-over relief does not apply

Where roll-over does not apply to the disposal of Tandou Shares, the cost base of Webster Shares which are received in exchange for those Tandou Shares includes the market value of the Tandou Shares at the date of acceptance of the Offer.

12.4. Stamp duty

All Australian States and Territories currently exempt the transfer of shares quoted on a recognised stock exchange from stamp duty. Therefore, no stamp duty should be payable on the transfer of Tandou Shares pursuant to the Offer for so long as Tandou remains listed. If Tandou is removed from the Official List of ASX, stamp duty will be payable on a transfer of Tandou Shares by the transferee.

12.5. GST

No GST should generally be payable on the transfer of Tandou Shares, with the exception of any GST payable on any brokerage charged by your Controlling Participant for carrying out your instructions.

13. Directors of Webster and Corporate Governance

13.1. Directors of Webster

Brief profiles of the directors of Webster are as follows:

Rod Roberts – BEc, MBA, FAICD (Non-executive Chairman)

Mr Roberts was appointed Managing Director in October 1996 until 2001 and Chairman from October 2001 to August 2007 and again from November 2008. Mr Roberts has previously held roles including Head of Corporate Finance at Bain & Co, Director of County NatWest Australia Limited, Chairman of Harris & Company Limited, Director of Tassal Group Limited and Deputy Chancellor of University of Tasmania. He is a director of the Australian Institute of Company Directors and President of the Tasmanian branch.

Directorships of other listed companies held during the last three years:

Tassal Group Limited – from March 2005 to December 2010

Chris Corrigan – BEc (Non-executive Director)

Mr Corrigan was appointed non-executive director in November 2007 until July 2010 and again from 15 October 2012. Mr Corrigan was Managing Director of Patrick Corporation Limited, Australia's largest stevedore company with interests in rail transportation and aviation from March 1990 to May 2006. Prior to that, he had a career with Bankers Trust spanning 20 years, including periods as Managing Director of Bankers Trust in Australia and for the Asia-Pacific region.

In September 2011, Mr Corrigan was appointed Chairman of Qube Logistics Holdings Limited.

Directorships of other listed companies held during the last three years:

Consolidated Media Holdings – from March 2006 to November 2012

Crown Limited – from July 2007 to November 2013

Qube Logistics Holdings Limited – from March 2011

David Cushing – BCom, ACA (Non-executive Director)

Mr Cushing was appointed non-executive director on 31 October 2012.

Mr Cushing is Executive Chairman of Rural Equities Limited, one of New Zealand's largest rural property companies, and is also the Managing Director of the private investment company H & G Limited. Mr Cushing was formerly an investment banker with National Australia Bank Limited subsidiary, Bank of New Zealand.

Mr Cushing has considerable experience in the agricultural sector having previously been a director of horticultural company Fruitfed Supplies Limited, rural services company Williams & Kettle Limited and New Zealand Farming Systems Uruguay Limited. He has also acted as an alternate director of rural services and seed company PGG Wrightson Limited for the Chinese company Agria Corporation.

Chris Langdon – BCom (Econ) (Non-executive Director)

Mr Langdon was appointed non-executive director on 14 March 2013.

Chris Langdon is a major shareholder and Chief Executive of Langdon Group Pty Ltd. The Langdon Group is 160 years old and is a leading company in its sector, primarily involved in food ingredient distribution, and herb & spice processing. Mr Langdon's early career was in investment banking with roles in Australia, London and New York. Since the early 1990s, apart from his corporate role at Langdon Group, Mr Langdon has been involved in various external corporate directorships. He is a

current non-executive director of ASX listed Panoramic Resources Limited and of Touraust Corporation Pty Limited. He has also held directorships at the listed Text Media Limited and Fresh Food Industries Holdings Limited, as well as Nutshack Group Pty Ltd.

Directorships of other listed companies held during the last three years:

Panoramic Resources Limited – from August 2004

F.F.I. Holdings Limited – from November 2006 to October 2011

David Robinson – MBBS, FRACS (Non-executive Director)

Appointed as a non-executive director in December 2014, Mr Robinson has 30 years experience in large irrigated and broad acre farming in the Moree district as principal of Red Mill Pastoral Company and Moreton Pastoral Company.

Mr Robinson was appointed Chairman of AFF in October 1999 and has been a director since January 1999. He has also held the offices of deputy chairman of Cotton Australia Limited and Chairman of Webster.

13.2. New Director of Webster

On successful conclusion of the Offer, Mr Rob Woolley, Chairman of Tandou, or another non-executive director of Tandou, nominated by Tandou, will be invited to join the Webster board. At the date of this Bidder's Statement the nominee director is unknown.

13.3. Webster Directors' interests in Webster Shares

As at the Announcement Date the Relevant Interests of each Director in Webster Shares was as follows:

Director	Relevant Interest in Webster Shares
Roderick James Roberts	5,143,187
Christopher Corrigan ¹	23,838,637
David Cushing ²	11,431,136
Chris Langdon	1,444
David Robinson ³	17,483,093

Note:

1. Belfort Investment Advisors Limited, an entity associated with Christopher Corrigan, is one of the Bengerang Vendors. Belfort, a Bengerang Vendor, will receive 17,916,081 Webster Shares if the Bengerang Acquisition proceeds. Belfort is also a Tandou Shareholder. See Section 9.9 for further details.
2. David Cushing, a Director of Webster, is also a substantial holder of Tandou, holding a Relevant Interest in 19,829,870 Tandou Shares, representing 10.07% of the current issued capital of Tandou. This interest is held through the following controlled entities Rel-Trust Management Limited and Ashfield Farm Limited (**Cushing Entities**). If the Offer becomes unconditional and the Cushing Entities accept into the Offer, David Cushing's voting power in Webster will increase.
3. Interest is held through AFF. AFF, one of the AFF Persons, is a related party of Webster as it is controlled by David Robinson, a Director.

13.4. Interests in Tandou Shares

At the date of this Bidder's Statement, David Cushing has a Relevant Interest in 19,829,870 Tandou Shares through the Cushing Entities. Christopher Corrigan has a Relevant Interest in 3,041,493 Tandou Shares held through Belfort Investment Advisors Limited.

No other Webster Director, nor their Associates, hold any interests in Tandou Shares.

13.5. Directors' fees and benefits

The non-executive directors of Webster are entitled to remuneration for their role as directors of Webster comprising payments of directors' fees. The current aggregate remuneration for Webster non-executive directors is set at \$500,000 per annum. Non-executive directors including the Chairman are not entitled to retirement or termination benefits.

In the financial year ending 30 June 2015, director fees totalling \$326,032 (inclusive of superannuation) are payable to the Webster Directors as follows:

Director	Fees
Rod Roberts	\$107,250
Chris Corrigan	\$59,135
David Cushing	\$63,950
Chris Langdon	\$63,745
David Robinson	\$31,952

13.6. Director disclosures

No Webster Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last ten years which is relevant or material to the performance of their duties as a Director. No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

13.7. Corporate governance

Webster recognises that good corporate governance plays an important role in its overall success and in enhancing shareholder value. Accordingly, Webster has adopted certain corporate governance practices which are reflective of its commitment to good corporate governance and of the recommended corporate governance guidelines by the ASX Corporate Governance Council (**Best Practice Recommendations**). These are available on the Company's website, at www.websterltd.com.au.

Webster will provide an explanation of any departures from the Best Practice Recommendations in its future annual reports.

The Board will review the corporate governance policies and structures that Webster has in place on an ongoing basis to ensure that these are appropriate for the size of Webster and nature of its activities, and that these policies and structures continue to meet the corporate governance standards to which the Board is committed.

14. Other Material Information

14.1. Merger Implementation Agreement

On 27 February 2015, Webster and Tandou entered into a Merger Implementation Agreement. This agreement sets out the agreed basis on which Webster would make the Offer and the respective obligations of Webster and Tandou in relation to the Offer. The Merger Implementation Agreement includes customary termination provisions, exclusivity restrictions by Tandou in favour of Webster including a right to be notified of and to match any Competing Proposal, as well as provision for the payment of a \$800,000 reimbursement fee by Tandou to Webster or by Webster to Tandou if the Offer does not complete in specific circumstances. An executed copy of the Merger Implementation Agreement accompanied Webster's announcement of the Offer on 27 February 2015. The key terms are summarised in Section 15.

14.2. Bengerang Acquisition

Introduction

Webster entered into a Share Purchase Agreement with Australian Food & Fibre Limited (ACN 077 983 370), Belfort Investment Advisers Limited and Verolot Limited (together the **Bengerang Vendors**) on 3 March 2015. Under this agreement, the Bengerang Vendors must sell all of the Bengerang Shares to Webster in consideration for the issue of 107,670,120 Shares in Webster.

Conditions precedent

Completion of sale is subject to a number of conditions precedent. These conditions include:

- (a) shareholders approve the Bengerang Resolutions;
- (b) either the Foreign Investment Review Board approves the Bengerang Acquisition or the Bengerang Acquisition can proceed without such approval;
- (c) there are no legal restraints preventing completion of the Bengerang Acquisition;
- (d) Bengerang completes a recapitalisation by issuing further shares to the Bengerang Vendors (which will also be acquired by Webster under the agreement without any increase to the consideration payable by Webster) in consideration for:
 - (i) the injection of \$5 million in cash to Bengerang;
 - (ii) the transfer to Bengerang of additional water entitlements from AFF or an associated entity for \$5 million; and
 - (iii) the assumption of liabilities owed by Bengerang in connection with the acquisition of the Darling Farm Assets, the Medgun Assets and other liabilities in an amount of \$40 million;
- (e) Bengerang's financier approves the Bengerang Acquisition;
- (f) Bengerang's key contracts relating to acquisitions of land and water entitlements that are incomplete at the date of this Bidder's Statement (being in relation to the Darling Farm Assets and the Medgun Assets) are either completed or remain in full force and Webster is satisfied that such acquisitions will proceed;
- (g) the Bengerang Vendors, Bengerang and Webster agree and enter into an agreement under which Bengerang agrees that it will only exercise its rights to acquire the Medgun Assets as directed by Webster and the Bengerang Vendors agree to assume the obligations of Bengerang to pay the consideration for such assets;

- (h) there is no material adverse change to either Bengerang or Webster or their financial or trading positions or prospects;
- (i) the existing management agreement between Bengerang and AFF is terminated and replaced with a new management agreement, the terms of which are summarised in Section 14.3;
- (j) the shareholders agreement relating to Bengerang is terminated;
- (k) either the Foreign Investment Review Board approves, or issues a notice of no objection to, the acquisition by Bengerang of the Darling Farm Assets and the Medgun Assets or such acquisitions can proceed without such approval;
- (l) the Webster Directors not associated with the Bengerang Vendors do not change their recommendations relating to the Bengerang Resolutions;
- (m) no prescribed occurrence (being any of the events listed below) happens in relation to Webster:
 - (i) Webster converts all or any of its securities into a larger or smaller number of securities;
 - (ii) Webster reduces, or resolves to reduce, its capital in any way;
 - (iii) Webster enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under the Corporations Act;
 - (iv) Webster issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option other than in respect of the Tandou Acquisition;
 - (v) Webster issues, or agrees to issue, convertible notes or any other security or instrument convertible into shares;
 - (vi) Webster issues, or agrees to issue, or grants an option to subscribe for, debentures (as defined in section 9 of the Corporations Act);
 - (vii) Webster agrees to pay, declares, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital, other than dividends in respect of the half-year ended 31 December 2014 in respect of preference shares in Webster and in respect of the financial year ending 30 June 2015;
 - (viii) Webster resolves that it be wound up or an application or order is made for the winding up or dissolution of Webster or any of its material subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
 - (ix) a liquidator or provisional liquidator of Webster or any of its material subsidiaries is appointed;
 - (x) a court makes an order for the winding up of Webster or any of its material subsidiaries;
 - (xi) an administrator of Webster or of any of its material subsidiaries is appointed under the Corporations Act;
 - (xii) Webster ceases, or threatens to cease, to carry on business;
 - (xiii) Webster executes a deed of company arrangement;
 - (xiv) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Webster or any of its material subsidiaries;

(xv) Webster is deregistered as a company or otherwise dissolved; or

(xvi) Webster is or becomes unable to pay its debts when they fall due.

These conditions must be waived or satisfied prior to 30 June 2015 (or such other date agreed between the parties). If they are not, the sale agreement may be terminated.

Consideration

In consideration for the transfer of the Bengorang Shares Webster must issue 107,670,120 Shares in Webster as directed by AFF as representative of the Bengorang Vendors.

Pre-completion obligations

Pending completion the Bengorang Vendors must procure that Bengorang conducts its business in the ordinary and usual course consistent with its usual business practices and does not make any significant change to the nature or scale of any activity comprised in the business.

In addition, Bengorang is required to complete the recapitalisation outlined above prior to completion.

Completion

Completion of the acquisition will occur on the date 2 business days after the last of the conditions precedent is satisfied or waived. It is currently anticipated that completion will occur on 8 June 2015.

Warranties and indemnities

The agreement includes warranties by the Bengorang Vendors for the benefit of Webster relating to various aspects of the Bengorang Shares, Bengorang, its business and its assets, including title and authority, solvency, shares and capital of Bengorang, the conduct of the business and compliance with law, ownership of the assets, historical financial information and pro forma financial information, contracts, properties, water entitlements, environmental matters, stock, IP rights, business records, group structure, employees, insurance, litigation and disputes, superannuation, taxes and duty and accuracy of information provided to Webster.

The Bengorang Vendors are also required to indemnify Webster for any tax liabilities relating to the period prior to completion that is not provided for in the agreed pro forma balance sheet relating to Bengorang.

The agreement also contains warranties by Webster in favour of the Bengorang Vendors relating to authority, capacity, solvency, the shares and capital of Webster, compliance with laws and compliance with disclosure requirements.

14.3. Management agreement between Webster and AFF

Introduction

Under the Bengorang SPA, it is a condition precedent that the existing management agreement between Bengorang and AFF is terminated and a new management agreement is entered into between Webster and AFF in the agreed form.

Services

The services to be provided under the management agreement comprise farm design planning, farming services, administration services, and marketing services for Webster cotton properties being the Kooba, Bengorang and Tandou aggregations.

Management fee

AFF is entitled to a management fee of \$550,000 (plus GST) per annum. AFF is also entitled to a bonus based on bales of cotton produced in each production year up to a further \$500,000 per annum.

In addition, Webster is required to reimburse AFF for the costs of a full time employee managing the Bengering farms (at a total cost of \$250,000).

Term

The management agreement will terminate on 30 June 2017.

Either party may terminate this agreement earlier if the other party becomes the subject of an insolvency event such as liquidation or the appointment of an administrator or controller.

In the event of a material breach of duties or delegations the contractual arrangements can be terminated by Webster without compensation.

14.4. Related Party arrangements

The Directors are entitled to receive the following benefits:

- (a) the maximum total remuneration of the non-executive Webster Directors has been set at \$500,000 per annum to be divided amongst them in such proportions as they agree. See Section 13.5 for further details;
- (b) Webster has entered into director protection deeds with each of its directors on standard terms. Under these documents, Webster has agreed to:
 - (i) provide access to board papers and minutes to current and former Directors of Webster while they are Webster Directors and for a period of 7 years from when they cease to be Webster Directors;
 - (ii) indemnify, to the extent permitted by the Corporations Act, each Webster Director in respect of certain liabilities, which the Webster Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director of Webster;
 - (iii) maintain in favour of each Webster Director a directors' and officers' policy of insurance for the period that he or she is a Webster Director and for a period of 7 years after the officer ceases to be a Webster Director;
- (c) Belfort Investment Advisers Limited, one of the Bengering Vendors, is an Associate of Christopher Corrigan, a Director of Webster. Webster has entered into the Bengering SPA with Belfort. Completion of the Bengering SPA is subject to Webster Shareholder approval. Details of the key terms and value of the Bengering SPA are set out in Section 14.2;
- (d) Australian Food & Fibre Limited (ACN 077 983 370) is an Associate of David Robinson, a Director of Webster. Agreements between AFF and Webster are:
 - (i) AFF and Webster have entered into a management services agreement in respect of the Kooba Aggregation assets. The key terms of this agreement is summarised in Section 3.8.
 - (ii) AFF, one of the Bengering Vendors, has entered into Bengering SPA with Webster. Completion of the Bengering SPA is subject to Webster Shareholder approval. Details of the key terms and value of the Bengering SPA are set out in Section 14.2.
 - (iii) If the Bengering Acquisition is successful, AFF and Webster will enter into a new management agreement to replace existing agreements with Webster and Bengering. Webster Shareholder approval for the entry into this new management

agreement is being sought by Webster. Approval and execution of this agreement is a condition precedent to the Bengerang Acquisition. Details of AFF experience are set out in Section 3.8. The terms, and the financial value, of the new management agreement are summarised in Section 14.3; and

- (e) David Cushing, a Webster Director, is a substantial shareholder in Tandou. If the Offer becomes unconditional and the Cushing Entities accept the Offer, they will be issued Webster Shares. Participation in the Offer by the Cushing Entities is subject to Webster Shareholder approval.

14.5. Legal Proceedings

Webster is not and has not been, during the 12 months preceding the date of this Bidder's Statement, involved in any legal or arbitration proceedings which have had a significant effect on the financial position on Webster. As far as the Webster Directors are aware, no such proceedings are threatened against Webster.

14.6. Consideration provided for Tandou Shares during previous 4 months

Neither Webster nor any Associate of Webster has provided (or agreed to provide) consideration for a Tandou Share under a purchase or other agreement during the 4 months before the date of this Bidder's Statement.

14.7. No collateral benefits

Neither Webster nor any Associate of Webster has given, or offered or agreed to give, a benefit to another person in the 4 months prior to the date of this Bidder's Statement, likely to induce the other person, or an Associate, to:

- (a) accept the Offer; or
- (b) dispose of Tandou Shares,

which benefit was not offered to all Tandou Shareholders under the Offer.

14.8. No escalation agreements

Neither Webster nor any Associate of Webster has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

14.9. ASX listing of New Webster Shares

Webster will apply for official quotation on the ASX of new Webster Shares to be issued under the Offer within 7 days of the date of this Bidder's Statement.

Quotation on the ASX will not be automatic but will depend on the ASX exercising its discretion. Webster has already been admitted to the Official List of the ASX and shares in Webster of the same class as those to be issued under the Offers are already quoted on the ASX. However, Webster cannot guarantee, and does not represent or imply, that the new Webster Shares will be quoted or listed on ASX.

14.10. Disclosure of interests and benefits

- (a) Interested Person

For the purposes of this Section 14.10 an **Interested Person** is:

- (i) a Webster Director or proposed director of Webster;

- (ii) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder's Statement;
- (iii) a promoter of Webster; or
- (iv) a broker or underwriter to the issue of Webster Shares.

(b) Interests

Except as disclosed in this Bidder's Statement no Interested Person holds or held at any time during the two years before the date of this Bidder's Statement any interest in:

- (i) forming or promoting Webster;
- (ii) property acquired or proposed to be acquired by Webster in connection with:
 - (A) forming or promoting Webster; or
 - (B) the offer of Webster Shares; or
- (iii) the offer of Webster Shares.

(c) Benefits

Except as disclosed in this Bidder's Statement no one has paid or agreed to pay fees or given or agreed to give any benefit to:

- (i) a Webster Director or proposed director of Webster to induce that person to become or qualify as a Webster Director; or
- (ii) any Interested Person for services provided by that person in connection with:
 - (A) forming or promoting Webster; or
 - (B) the offer of Webster Shares under the Offer.

14.11. Disclosure of adviser interests

Watson Mangioni has acted as solicitors to the Offer. Webster estimates that it will pay amounts totalling \$80,000 (excluding disbursements and GST) to Watson Mangioni in respect of this work.

Consents In addition, this Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX by Tandou and others.

Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these documents, please contact John Hosken on 0418 529 151 or by email at tandou@websterltd.com.au and you will be sent copies free of charge.

Watson Mangioni Lawyers Pty Limited has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as solicitors to the Offer in the form and context in which it is named.

Computershare Investor Service Pty Limited has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as Share Register in the form and context in which it is named.

Each of Watson Mangioni Lawyers Pty Limited and Computershare Investor Service Pty Limited:

- (a) has not authorised or caused the issue of the Bidder's Statement;
- (b) does not make, or purport to make, any statement in this Bidder's Statement other than as specified as in this Section;
- (c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Bidder's Statement other than the reference to its name and the statements (if any) included in this Bidder's Statement with the consent of that party as specified in this Section.

14.12. Date for determining holders of Tandou Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is 16 April 2015.

14.13. Potential for waiver of Conditions

The Offer is subject to the Conditions set out in Section 15.8. Under the terms of the Offer and the Corporations Act, any or all of those Conditions may be waived by Webster.

If an event occurs which results (or would result) in the non-fulfilment of a Condition, Webster might not make a decision as to whether it will either rely on that non-fulfilment, or instead waive the Condition, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act.

If Webster decides that it will waive a Condition, it will announce that decision to ASX in accordance with section 650F of the Corporations Act. If any of the Conditions are not fulfilled, and Webster decides to rely on the non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Tandou Shares will be returned to the holder.

14.14. Status and effect of other Conditions

As at the date of this Bidder's Statement, Webster is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions in Section 15.

14.15. ASIC modifications and exemptions

ASIC has published various other Class Order instruments providing for modifications and exemptions that apply generally to all persons, including Webster.

14.16. Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

14.17. Other material information

There is no other information material to the making of a decision by an offeree whether or not to accept an Offer (being information that is known to Webster and has not previously been disclosed to the holders of Tandou Shares) other than as disclosed in this Bidder's Statement.

15. The Offer Terms

15.1. Webster's Offer

- (a) Webster offers to acquire your Tandou Shares on the terms and conditions of this Offer. You may accept this Offer in respect of all of your Tandou Shares.
- (b) The consideration being offered by Webster is:
 - (i) 1 Webster Share for every 2.25 fully paid Tandou Shares;
 - (ii) 1 Webster Share for every 225 Partly Paid Tandou Shares paid up to \$0.01; and
 - (iii) 1 Webster Share for every 11.25 Partly Paid Tandou Shares paid up to \$0.20.
- (c) If you accept this Offer and Webster acquires your Tandou Shares, Webster is also entitled to any Rights in respect of your Tandou Shares.
- (d) The Webster Shares to be issued under the Offer will be issued fully paid and will rank equally in all respect with all other Webster Shares currently on issue.

15.2. Offer Period

Unless withdrawn, this Offer remains open for acceptance during the period commencing on the date of this Offer and ending at 7:00pm on 2015 Sydney time, subject to any extension of that period in accordance with the Corporations Act.

15.3. Who may accept

- (a) An offer in the form of this Offer is being made to:
 - (i) each holder of Tandou Shares registered, or entitled to be registered, in the register of members of Tandou at 7:00pm Sydney time on 16 April 2015; and
 - (ii) each other holder of Tandou Shares who becomes so registered before the end of the Offer Period.
- (b) If at the time this Offer is made to you another person is, or at any time during the Offer Period and before this Offer is accepted becomes, the holder of, or entitled to be registered as the holder of, some or all of your Tandou Shares (**transferred shares**), Webster is deemed, in place of this Offer, to have made at that time a corresponding Offer on the same terms and conditions:
 - (i) to the other person, relating to the transferred shares; and
 - (ii) to you, relating to your Tandou Shares other than the transferred shares (if any).
- (c) If at any time during the Offer Period and before this Offer is accepted, you hold your Tandou Shares in two or more distinct portions (for example, you hold some as trustee, nominee or otherwise on account of another person) within the meaning of section 653B of the Corporations Act:
 - (i) this Offer is deemed to consist of a separate corresponding Offer to you in relation to each distinct portion of your Tandou Shares;
 - (ii) to accept any of those corresponding Offers, you must specify:
 - (A) by written notice accompanying your Acceptance Form; or

- (B) if the notice relates to Tandou Shares in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules,

that your Tandou Shares consist of distinct portions and the number of the Tandou Shares to which the acceptance relates; and

- (iii) otherwise, section 653B of the Corporations Act applies to this Offer in respect of your Tandou Shares and any acceptance of this Offer by you.

15.4. Official quotation of New Webster Shares

- (a) Webster has been admitted to the official list of the ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by the ASX.
- (b) This Offer and any contract that results from your acceptance of this Offer are subject to a condition that:
 - (i) Webster applies to the ASX within 7 days after this Bidder's Statement is given to Tandou, for the admission of the New Webster Shares to official quotation; and
 - (ii) permission for admission to official quotation by ASX of Webster Shares to be issued under the Offers which are accepted, is granted no later than 7 days after the end of the Offer Period.
- (c) The condition in Section 15.4(b) of this Offer is required by section 625(3) of the Corporations Act, is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the Conditions set out in Section 15.8(a) of this Offer. Section 625(3) of the Corporations Act provides that this Offer cannot be freed of the condition prescribed in that section, and consequently no statement made by Webster can be taken to be a waiver of that condition. If this condition is not fulfilled all contracts resulting from acceptance of the Offer will be void automatically.
- (d) Official quotation of securities by the ASX is not granted automatically on application. However, Webster has no reason to believe that the New Webster Shares will not be admitted to quotation by the ASX.

15.5. How to accept this Offer

- (a) You may only accept this Offer in respect of all of your Tandou Shares.
- (b) You may only accept this Offer during the Offer Period.
- (c) If your Tandou Shares are held in a CHESS Holding, you can only accept this Offer in accordance with the ASX Settlement Operating Rules.
- (d) To accept this Offer, you should proceed as follows:
 - (i) you may complete and sign the Acceptance Form in accordance with the instructions on the Acceptance Form and return it (together with any documents required by the instructions on it), so that the envelope in which they are sent is received by Webster in accordance with the Acceptance Form before the end of the Offer Period; or
 - (ii) if your Tandou Shares are held in a CHESS Holding (as an alternative to completing the Acceptance Form) you may either:
- (e) instruct your Controlling Participant to initiate acceptance of the Offer in accordance with Rule 14.4 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (f) if you are a Broker or an ASX Settlement Participant, initiate acceptance of the Offer in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

15.6. Effect of acceptance

- (a) By accepting the Offer in accordance with Section 15.5, you will have:
- (i) accepted this Offer in respect of all of your Tandou Shares;
 - (ii) agreed to transfer your Tandou Shares to Webster (subject to this Offer and the contract resulting from your acceptance of it becoming unconditional);
 - (iii) represented and warranted to Webster that your Tandou Shares will at the time of acceptance of this Offer and at the time of their transfer to Webster be fully paid up and that Webster will acquire good title to and beneficial ownership of your Tandou Shares free from all Encumbrances and other adverse third party interests of any kind;
 - (iv) on the Offer or the contract resulting from your acceptance of the Offer becoming unconditional, irrevocably appointed Webster and each of its directors, secretaries and officers severally as your attorney to do all things which you could lawfully do in relation to your Tandou Shares or in exercise of any right derived from the holding of such Tandou Shares, including without limitation:
 - (A) attending and voting at any general meeting of Tandou;
 - (B) notifying Tandou that your address in the records of Tandou for all purposes including the dispatch of notices of meeting, annual reports and dividends should be altered to an address nominated by Webster; and
 - (C) doing all things incidental and ancillary to any of the above.

This appointment terminates on the registration of Webster as the registered holder of your Tandou Shares.

Webster must indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might otherwise be incurred or undertaken as a result of the exercise by an attorney of any powers under this Section 15.6(a)(iv);

- (v) agreed that in exercising the powers conferred by the power of attorney under Section 15.6(a)(iv) the attorney may act in the interests of Webster as the intended registered holder and beneficial holder of those Tandou Shares;
- (vi) agreed not to attend or vote in person at any general meeting of Tandou or to exercise or purport to exercise any of the powers conferred on an attorney under Section 15.6(a)(iv);
- (vii) represented and warranted to Webster that the making of the Offer to you and your acceptance of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer or to your acceptance of this Offer;
- (viii) agreed to indemnify Webster and Tandou fully in respect of any claim, demand, action, suit or proceeding made or brought against Tandou and any loss, expense, damage or liability whatsoever suffered or incurred by Webster or Tandou or both Webster and Tandou, in each case as a result of any representation or warranty made by you not being true; and
- (ix) irrevocably authorised and directed Tandou to pay to Webster or to account to Webster for all dividends and other distributions and entitlements which are declared, paid or made or which arise or accrue after the date of this Offer in respect of the Tandou Shares which Webster acquires pursuant to this Offer, subject to your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void, to

Webster accounting to you for any such dividends, distributions and entitlements received by it.

- (b) By completing, signing and returning the Acceptance Form, you will also have:
 - (i) authorised Webster and each of its directors, secretaries, officers, servants and agents severally to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary for either or both of the following purposes:
 - (A) to make the Acceptance Form an effectual acceptance of this Offer; and
 - (B) to enable registration of the transfer to Webster of your Tandou Shares; and
 - (ii) authorised Webster and each of its directors, secretaries, officers, servants, and agents severally on your behalf to initiate acceptance or instruct your Controlling Participant to initiate acceptance in accordance with Rule 14.14 of the ASX Settlement Operating Rules.
- (c) Webster may at any time in its absolute discretion:
 - (i) treat the receipt by it of an Acceptance Form during the Offer Period as a valid acceptance although it does not receive all or any the relevant share certificates or any of the other requirements for a valid acceptance have not been complied with; and
 - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Tandou Shares, treat the acceptance as a valid acceptance only in respect of those Tandou Shares.

In respect of any part of an acceptance treated by Webster as valid, Webster must provide you with the relevant consideration in accordance with Section 15.7.

15.7. Consideration for your Tandou Shares

- (a) If you are not a Foreign Ineligible Shareholder, the obligation of Webster to issue and allot any Webster Shares to which you are entitled as Offer Consideration under the Offer will be satisfied by Webster:
 - (i) entering your name on Webster share register; and
 - (ii) dispatching or procuring the dispatch to you an uncertificated holding statement in your name (for Issuer Sponsored Holdings) or a confirmation of issue (for CHES Holdings) by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the Register (or such other address as you may notify in writing to Webster).

If your Tandou Shares are held in a joint name, an uncertificated holding statement or a confirmation of issue will be issued in the name of the joint holders.
- (b) If you are not a Foreign Ineligible Shareholder, subject to Section 15.7(d) of this Offer, if the contract resulting from your acceptance of this Offer becomes unconditional, Webster will provide the Offer Consideration to which you are entitled on acceptance of this Offer on or before the earlier of:
 - (i) 1 month after the date this Offer is validly accepted by you or, if this Offer is subject to a Condition when accepted, within 1 month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period.

- (c) If you accept the Offer and you are a Foreign Ineligible Shareholder, in respect of any Webster Shares which you would have otherwise become entitled to receive under Section 15.7(b) of this Offer, Webster will:

- (i) arrange for the issue to a nominee approved by ASIC (**Nominee**) of the number of Webster Shares to which you and all other Foreign Ineligible Shareholders would have become entitled to receive as part of the Offer Consideration as a result of acceptance of the Offer (**Nominee Shares**);
- (ii) cause the Nominee to offer for sale the Nominee Shares as soon as practicable or otherwise in such manner, at such price and on such other terms and conditions as are determined by the Nominee;
- (iii) cause the Nominee to pay to you the amount calculated in accordance with the following formula:

Net Proceeds of Sale x Your Webster Share

Total Nominee Shares

Where:

Net Proceeds of Sale is the amount the Nominee receives on sale of all Nominee Shares less tax, brokerage and other sale expenses;

Your Webster Shares is the number of Webster Shares which Webster would otherwise be required to issue to you as part of the Offer Consideration; and

Total Nominee Shares is the total number of Nominee Shares issued to the Nominee under Section 15.7(c)(i).

You will be paid by cheque in Australian currency. The cheque will be sent at your risk by pre-paid airmail to the address shown in the Tandou Register last received by Webster. Under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Residents of certain places are not entitled to receive the Net Proceeds of Sale unless and until all requisite authorities or clearances have been obtained from the Reserve Bank of Australia and or the Australian Taxation Office. Refer to Section 15.7(g) of this Offer for further information.

Notwithstanding anything else in the Bidder's Statement, Webster is under no obligation to spend any money, or undertake any action, in order to satisfy themselves of the eligibility of Foreign Ineligible Shareholders to receive Webster Shares or any amounts as set out in this Section 15.7(c).

- (d) Where the Acceptance Form or any subsequent request from Webster requires additional documents to be given with your acceptance (such as a certified copy of any of a power of attorney, grant of probate or letters of administration, or any other document requested by Webster to give better effect to your acceptance):
- (i) if the documents are given with your acceptance, Webster will provide the Offer Consideration in accordance with Section 15.7(b) or 15.7(c) of this Offer;
 - (ii) if the documents are given after acceptance and before the end of the Offer Period and this Offer is subject to a Condition at the time that Webster is given the documents, Webster will provide the Offer Consideration by the end of whichever of the following periods ends earlier:

- (A) 1 month after the contract resulting from your acceptance of this Offer becomes unconditional; and
- (B) 21 days after the end of the Offer Period; or
- (iii) if the documents are given after acceptance and before the end of the Offer Period and this Offer is unconditional at the time that Webster is given the documents, Webster will provide the Offer Consideration by the end of whichever of the following periods ends earlier:
 - (A) 1 month after Webster is given the documents; and
 - (B) 21 days after the end of the Offer Period; or
- (iv) if the documents are given after the end of the Offer Period, Webster will provide the Offer Consideration within 21 days after the documents are given.

If you do not provide Webster with the required additional documents within 1 month after the end of the Offer Period, Webster may, in its sole discretion, rescind the contract resulting from your acceptance of this Offer.

- (e) If Webster becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give Webster all documents necessary to vest those Rights in Webster or otherwise to give Webster the benefit or value of those Rights. If you do not give those documents to Webster, or if you have received the benefit of those Rights, then Webster may reduce the number of New Webster Shares to which you are otherwise entitled under this Offer by the amount equal to the value, (as reasonably assessed by Webster), of those Rights in accordance with Section 15.7(f) of this Offer.
- (f) If:
 - (i) you have (or any previous holder of your Tandou Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
 - (ii) you are (or any previous holder of your Tandou Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your Tandou Shares is) the registered holder of the share at the specified time for determining those entitled to the dividend); or
 - (iii) your Tandou Shares were issued (or otherwise came into existence) on or after the record date in respect of any Rights to Tandou Shareholders,

then Webster may reduce the number of New Webster Shares to be issued to you under this Offer by the value (as reasonably assessed by Webster) of such Rights. If Webster does not, or cannot, make such a reduction, you must pay such value or amount to Webster.
- (g) If, at the time of acceptance of this Offer, any consent, authority or clearance of the Reserve Bank of Australia and/or the Australian Taxation Office is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:
 - (i) the Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) Part 4 of the Charter of the United Nations Act 1945 (Cth);
 - (iii) the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
 - (iv) Part 9 of the Anti-Money Laundering And Counter-Terrorism Financing Act 2006 (Cth);

- (v) any other regulations made under Part 4 of the Charter of the United Nations Act 1945 (Cth); or
- (vi) any other law of Australia that would make it unlawful for Webster to provide Consideration for your Tandou Shares,
- (vii) applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive (and you will not be entitled to receive) any consideration under this Offer unless and until all requisite consents, authorities or clearances have been obtained.

15.8. Conditions of this Offer

- (a) This Offer and the contract that results from acceptance of this Offer are each subject to the fulfilment of the following conditions:
 - (i) **Minimum acceptance condition:** the number of Tandou Shares in which Webster and its Associates have a Relevant Interest at the expiry of the Offer Period is not less than 50.1% of the Tandou Shares then on issue;
 - (ii) **Webster Shareholder approval:** Webster Shareholders in general meeting pass all resolutions under the Listing Rules necessary to permit Webster to complete the acquisition of all Tandou Shares under the Offer;
 - (iii) **Foreign investment approval:** either:
 - (A) Webster receives notice from the Treasurer of the Federal Government (or his agent) to the effect that there is no objection under the government's foreign investment policy to Webster acquiring Tandou Shares pursuant to the Offer; or
 - (B) the period provided under the *Foreign Acquisitions and Takeovers Act, 1975 (Cth)* during which the Treasurer may make an order or interim order under that Act prohibiting the acquisition, lapses without that type of order being made;
 - (iv) **No breach of Merger Implementation Agreement:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period Tandou has not materially breached its obligations under Clause 5 of the Merger Implementation Agreement;
 - (v) **No acquisition or disposal of material asset:** except for any proposed transaction publicly announced by Tandou before the Announcement Date or otherwise agreed under the Merger Implementation Agreement or otherwise agreed in writing with Webster, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:
 - (A) Tandou acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$1,000,000 or makes an announcement in relation to such an acquisition, offer or agreement outside the ordinary course of business; or
 - (B) Tandou or any subsidiary of Tandou completes, enters into, offers to enter into or agrees to enter into any agreement, joint venture, partnership or commitment which:
 - would require expenditure, or the foregoing of revenue by Tandou and/or its Controlled Entities of an amount which is, in aggregate, more than \$1,000,000, other than in the ordinary course of business

or makes an announcement in relation to such an entry, offer or agreement; or

- results in the book value of all Water Rights held by Tandou falling below \$57.3 million;

(vi) **No change of control:** no person having, or being entitled to have, as a result of any change in control in respect of Tandou, any right to:

(A) in respect of a material contract relating to Tandou, terminate or alter any contractual relations between any person and Tandou or any of its Controlled Entities including under any lease granted pursuant to the *Western Lands Act, 1901 (NSW)* held by Tandou as at the Announcement Date; or

(B) require the sale of any securities in Tandou,

exercises that right during the period commencing on the Announcement Date and ending on the expiry of the Offer Period or notifies Tandou during that period that it intends to exercise that right;

(vii) **No material adverse change:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no MAC occurs in respect of Tandou;

(viii) **No litigation:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no litigation or arbitration proceedings have been or are instituted or threatened against Tandou or a subsidiary of Tandou which are material in the context of Tandou's operations as a whole;

(ix) **No regulatory intervention:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no Governmental Agency or any other person takes any action to:

(A) prohibit, prevent or inhibit the acquisition of, or trading in, Tandou Shares;

(B) impose conditions on the Offer which impose unduly onerous obligations upon Webster or would materially adversely affect the business or capital structure of Tandou;

(C) require the divestiture by Webster of securities or assets of Tandou or any of its Controlled Entities,

other than an application to or a decision or order of ASIC or the Takeovers Panel for the purpose of or in the exercise of the powers and discretions conferred on it by the Corporations Act;

(x) **No Prescribed Occurrences:** none of the following happens during the period commencing on the Announcement Date and ending on the expiry of the Offer Period (each being a separate condition):

(A) the shares of Tandou or any of the Controlled Entities of Tandou are converted into a larger or smaller number of shares;

(B) Tandou or a subsidiary of Tandou resolves to reduce its share capital in any way;

(C) Tandou or a subsidiary of Tandou:

- enters into a buy-back agreement; or

- resolves to approve the terms of a buy-back agreement under sections 257C or 257D of the Corporations Act;
- (D) Tandou or a subsidiary of Tandou makes an issue of or grants an option to subscribe for any of its Securities or agrees to make such an issue or grant such an option;
- (E) Tandou or a subsidiary of Tandou issues or agrees to issue convertible notes;
- (F) Tandou or a subsidiary of Tandou disposes or agrees to dispose of the whole or a substantial part of its business or property;
- (G) Tandou or a subsidiary of Tandou grants or agrees to grant an Encumbrance over the whole or a substantial part of its business or property; or
- (H) an Insolvency Event occurs with respect to Tandou or a subsidiary of Tandou;
- (b) Each of the Conditions set out in Section 15.8(a) and each sub-Section, sub-sub-Section and sub-sub-sub-Section of Section 15.8(a):
- (i) is and must be construed as a separate condition; and
 - (ii) subject to the Corporations Act, operates only for the benefit of Webster and any breach or non-fulfilment of such condition may be relied upon only by Webster which may waive (generally or in respect of a particular event) the breach or non-fulfilment of that Condition.
- (c) None of the Conditions prevents a contract to sell your Tandou Shares resulting from your acceptance of this Offer but:
- (i) breach of any of the Conditions entitles Webster to rescind that contract by notice to you; and
 - (ii) non-fulfilment of any of the Conditions at the end of the Offer Period will have the consequences set out in Section 15.8(g).
- (d) Where an event occurs that would mean at the time the event occurs a Condition to which this Offer or the contract resulting from your acceptance of this Offer is then subject would not be fulfilled, each Condition affected by that event becomes two separate Conditions on identical terms except that:
- (i) one of them relates solely to that event; and
 - (ii) the other specifically excludes that event.
- Webster may declare the Offer free under Section 15.8(e) from either of those Conditions without declaring it free from the other and may do so at different times. This Section may apply any number of times to a particular Condition (including a Condition arising from a previous operation of this Section).
- (e) Subject to the Corporations Act, Webster may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Conditions by giving written notice to Tandou:
- (i) in the case of the Conditions in Section 15.8(a)(x), not later than 3 business days after the end of the Offer Period; and
 - (ii) in the case of all other Conditions, not less than 7 days before the last day of the Offer Period.

- (f) The date for giving the notice on the status of the Conditions as required by section 630(1) of the Corporations Act is 2015 (subject to extension in accordance with the Corporations Act) if the Offer Period is extended.
- (g) Your acceptance or the contract resulting from your acceptance of this Offer is void if:
 - (i) at the end of the Offer Period any of the Conditions in Section 15.8(a) is not fulfilled; and
 - (ii) Webster has not declared this Offer and any contract resulting from the acceptance of it free of that Condition in accordance with Section 15.8(e).

15.9. Withdrawal of Offers

- (a) This Offer, if not previously accepted, may be withdrawn by Webster, but only with ASIC's written consent (which consent may be given subject to any conditions which may be imposed by ASIC).
- (b) Subject to ASIC's consent (and any conditions imposed by ASIC), withdrawal of this Offer may be effected by written notice from Webster given to Tandou.
- (c) Subject to any conditions imposed by ASIC on its consent, where Webster withdraws this Offer, if not previously accepted, automatically becomes incapable of acceptance.

15.10. Variation

Webster may vary this Offer in accordance with the Corporations Act.

15.11. Webster's Relevant Interests

At the date of this Offer, there are 197,015,209 Tandou Shares on issue and 250,000 Tandou Options. Immediately before this Offer was sent, Webster did not hold a Relevant Interest in Tandou Shares.

15.12. Stamp duty

Webster must pay all stamp duty payable on the transfer of your Tandou Shares to it if you accept this Offer.

This Offer is dated 2015.

16. Definitions and Interpretation

16.1. Definitions

The following defined terms are used throughout this Bidder's Statement unless the context otherwise requires. These terms are used throughout this Bidder's Statement.

\$	Australian Dollars.
AASB	Australian Accounting Standards Board.
Acceptance Form	The acceptance form for the Offer accompanying this Bidder's Statement.
AFF	Australian Food & Fibre Limited (ACN 077 983 370)
AFF Persons	<p>AFF, the subsidiaries of AFF from time to time, Dr David William Robinson, David Edward Robinson, Tasman Super Pty Ltd (ACN 131 280 899) as trustee for Robinson Family Superfund, David Robinson Investments Pty Ltd (ACN 010 012 076) as trustee for David Robinson Farming Trust, David Robinson Investments Pty Ltd (ACN 010 012 076) , Biskra Pty Ltd (ACN 072 174 273), Denise Katherine Robinson, Michael William Lanigan, Dr John Humphrey Morris, Josephine Anne Morris, Pamela Iris Lanigan, M Lanigan Superannuation Pty. Ltd. (ACN 078 992 051), Fabinshire Pty Ltd (ACN 010 475 573), Timothy Loughnan Robinson, Samantha Katherine Taylor, Christopher Mark Taylor, John Joseph Robinson, Kate Mary Robinson, Sarah Robinson and Varis Pty Limited as trustee for Ornelli Superfund,</p> <p>and a reference to an 'AFF Person' is to any of the foregoing persons.</p>
AFF Management Agreement	the proposed management agreement between Webster and AFF in the form annexed to the Bengerang SPA summarised in Section 14.2.
AFF Placement	the placement of 17,475,728 Shares to AFF undertaken by Webster at an issue price of \$1.03 per Share on 17 December 2014
Announcement Date	the date on which the Offer was announced to ASX, namely 27 February 2015.
ASIC	Australian Securities and Investments Commission.
Associate	has the same meaning given to that term in section 12 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) or the market it administers being Australian Securities Exchange (as the context requires).
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	the operating rules of the settlement facility provided by ASX Settlement.
Belfort	Belfort Investment Advisers Limited
Bengerang	Bengerang Limited (ACN 127 984 123)

Bengerang Acquisition	the acquisition of the Bengerang Shares pursuant to the agreement described in Section 14.2.
Bengerang Shares	fully paid ordinary shares in Bengerang
Bengerang SPA	the share purchase agreement between Webster and the Bengerang Vendors dated 3 March 2015.
Bidder's Statement	this document, being the statement made by Webster under Part 6.5 Division 2 of the Corporations Act.
Broker	a person who is a share broker and participant in CHESS.
Board	the board of Directors of Webster.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
CGT	capital gains tax.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement which provides for the electronic transfer, settlement and registration of securities.
CHESS Holding	a holding of Tandou Shares on the CHESS subregister of Tandou.
Competing Proposal	<p>any proposal by a Third Party in relation to a transaction or arrangement under which if the transaction or arrangement is completed:</p> <ul style="list-style-type: none"> (a) a person would acquire (whether directly or indirectly) or become the holder of, or otherwise have a right to acquire or have an economic interest in, all or a material part of the business conducted by Tandou, the assets of Tandou or the Water Rights of Tandou; (b) a person would acquire (whether directly or indirectly) Control of Tandou; (c) a person would acquire a Relevant Interest in, or voting power of, 20% or more of the Tandou Shares; (d) a person would otherwise acquire, or merge or amalgamate with Tandou; or (e) Tandou would be required to abandon or otherwise fail to proceed with the Offer, <p>irrespective of how it is structured including by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital restructure, sale or purchase of assets, joint venture or synthetic merger.</p>
Condition	each condition set out in Section 15.8(a).
Control	has the meaning set out in the Corporations Act.
controlled entity	an entity under the Control of another entity

Controlling Participant	has the meaning given in the ASX Settlement Operating Rules.
Corporations Act	the <i>Corporations Act</i> 2001 (Cth).
Cushing Entities	Rel-Trust Management Limited and Ashfield Farm Limited
Darling Farm Assets	the property and associated water rights relating to the properties known as “Darling Farms”, “Fort Bourke” and parts of “Allambie” situated in Northern NSW to be acquired by Bengarang
Director	a director of Webster.
Encumbrance	<ul style="list-style-type: none"> (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement; (b) a notice under section 255 of the Income Tax Assessment Act 1936 (Cth), subdivision 260-A in schedule 1 to the Taxation Administration Act 1953 (Cth) or any similar legislation; (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money); (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or (e) an agreement to create anything referred to above or to allow any of them to exist.
Foreign Law	a law of any jurisdiction other than an Australian jurisdiction.
Foreign Ineligible Shareholder	a person whose address as shown in the register of members of Tandou is in a jurisdiction other than Australia and its external territories or New Zealand, unless Webster determines otherwise, being satisfied by the law of that jurisdiction that it is lawful and not onerous to make the Offer to that person and to issue them with Webster Shares and that it is lawful for that person to accept the Offer.
Governmental Agency	any government, semi-government, administrative, fiscal, judicial or regulatory body, department, commission, authority, tribunal, agency or entity.
GST	goods and services tax.
Independent Expert Report	the report provided by Pitcher Partners Corporate Finance Pty Ltd (ACN 082 239 869) as the independent expert accompanying the Shareholders Booklet in Part C
Insolvency Event	<p>the occurrence of any one or more of the following events in relation to any person:</p> <ul style="list-style-type: none"> (a) an application is made to a court for an order, or an order is made, that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed; (b) a liquidator or provisional liquidator is appointed; (c) an administrator is appointed to it under sections 436A,

436B or 436C of the Corporations Act;

- (d) a controller (as defined in section 9 of the Corporations Act) is appointed to it or any of its assets;
- (e) a receiver is appointed to it or any of its assets;
- (f) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (g) it proposes a winding-up, dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (h) it otherwise proposes, or effects, a winding-up, whether under the terms of a constituent document, the Corporations Act or any other applicable law;
- (i) it is insolvent as disclosed in its accounts or otherwise, states that it is insolvent, is presumed to be insolvent under an applicable law (including under sub-section 459C(2) or section 585 of the Corporations Act) or otherwise is, or states that it is, unable to pay all its debts as and when they become due and payable;
- (j) it is taken to have failed to comply with a bona fide statutory demand as a result of sub-section 459F(1) of the Corporations Act which has not been set aside or withdrawn;
- (k) a notice is issued under sections 601AA or 601AB of the Corporations Act;
- (l) a writ of execution is levied against it or a material part of its property;
- (m) it ceases to carry on business or threatens to do so; or
- (n) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition.

Kooba Aggregation

the acquisition defined in Section 3.2 of this Bidder's Statement.

Listing Rules

the listing rules of the ASX.

MAC

means a change occurs or is announced that would reasonably be expected to have a material adverse affect on the capital structure, business, financial or trading position, future profitability, condition of assets or liabilities of a Party and which:

- (a) diminishes or could reasonably be expected to diminish the net assets of a Party by \$5,000,000 or more;
- (b) has resulted in or could reasonably be expected to result in a Party incurring obligations, liabilities, costs, claims or expenses (contingent or otherwise) where the quantum (whether individually or when aggregated) exceeds \$5,000,000, except in the ordinary course of business;

- (c) diminishes or could reasonably be expected to diminish the net profit after tax of a Party by \$500,000 or more,

but does not include any of the following:

- (d) a matter disclosed in writing by one Party to the other including through advisers, agents or employees prior to the execution of this Agreement;
- (e) a matter which is publicly known (including on public registers of Supreme Courts and Federal Courts, the PPSR and the registers of ASX and ASIC) or announced to ASX, in each case before the execution of this Agreement;
- (f) any event, occurrence circumstances or matter generally affecting the cotton industry, water rights industry, walnut industry or beef industry;
- (g) changes in general economic conditions, currency exchange rates, securities markets or commodities prices;
- (h) changes occurring as a result of any matter, event or circumstance required by this Agreement, the Offer or the transactions contemplated by them or otherwise consented to by the other Party; or
- (i) arising as a result of any generally applicable change in accounting standards required by law or government policy in Australia.

Medgun Assets

the property and water rights associated with a property known as “Medgun” at Garah, New South Wales which Bengenang proposes to acquire

Merged Group

the Tandou and Webster businesses, assumes that Tandou is a wholly owned subsidiary of Webster. This will occur in circumstances where Webster receives acceptances of not less than 90% of Tandou Shares under the Offer and moves to compulsory acquire the balance of Tandou Shares outstanding.

MIA

merger implementation agreement dated 27 February 2015, a copy of which was released to the market on that date. See Section 14.1 for further details.

ML

megalitre.

New Investors

Eagle Securities Limited and Kaplan Equity Limited

New Webster Shares

the Webster Shares to be issued as Offer Consideration.

Offer

the offer as set out in Section 15 of this Bidder’s Statement (or, if the context so requires, Section 15 of this Bidder’s Statement itself) and includes a reference to that offer as varied in accordance with the Corporations Act.

Offer Consideration

- (a) 1 Webster Share for every 2.25 fully paid Tandou Shares;
- (b) 1 Webster Share for every 225 Partly Paid Tandou Shares paid up to \$0.01; and
- (c) 1 Webster Share for every 11.25 Partly Paid Tandou Shares

paid up to \$0.20

Offer Period	the period for which the Offer remains open as set out in Section 15.2.
Offers	the Offer and each of the other offers made in the same terms for Tandou Shares and includes a reference to those offers as varied in accordance with the Corporations Act.
Official List	the official list of entities that ASX has admitted and not removed.
Official Quotation	official quotation of a security on a market operated by ASX.
Partly Paid Tandou Share	means the partly paid shares in Tandou on issue during the Offer Period.
PPSA	<i>Personal Property Securities Act 2009</i> (Cth).
PPS	<p>(a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended from time to time); and</p> <p>(b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).</p>
PPS Regulations	the <i>Personal Property Securities Regulations 2010</i> (Cth).
prescribed occurrences	the events referred to in section 652C(1) and (2) of the Corporations Act.
Registry	Computershare Investor Services Pty Limited (ACN 078 279 277)
Relevant Interest	has the same meaning given to that term in sections 608 and 609 of the Corporations Act.
Rights	all accretions, rights or benefits of whatever kind attaching to or arising from Tandou Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends, distributions, and all rights to receive dividends, distributions or to receive or subscribe for Securities, stock shares, notes, bonds, options or other securities, declared, paid or issued by Tandou or any of its controlled entities.
Security	has the meaning as given in section 92 of the Corporations Act.
security interest	<p>any:</p> <p>(a) "security interest" as defined in the PPS Law;</p> <p>(b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements);</p> <p>(c) a thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,</p> <p>and includes any agreement to create any of them or allow them to</p>

	exist.
Shareholder Booklet	the booklet released by Webster and dated 15 April 2015, comprising a notice of meeting, explanatory memorandum and the Independent Expert Report
SGARA	self-generating and regenerating assets.
Superior Proposal	<p>a bona fide, written Competing Proposal received by Tandou after the date of the MIA which the Tandou directors have determined, acting in good faith and in accordance with their fiduciary duties, and after the receipt of written advice from Tandou's external legal advisers is:</p> <ul style="list-style-type: none"> (a) reasonable capable of being completed, taking into account all aspects of the Competing Proposal and the person making it; and (b) more favourable to the Tandou Shareholders (as a whole) than the Offer, taking into account all of the terms and conditions of the Competing Proposal.
Tandou	Tandou Ltd (ACN 001 014 562).
Tandou Acquisition	the acquisition of Tandou by Webster pursuant to the Offer.
Tandou Group	Tandou and its controlled entities.
Tandou Resolutions	the resolutions under the Listing Rules necessary to permit Webster to complete the acquisition of all Tandou Shares under the Offer, being resolution 6 and 7 in the shareholders booklet dated 15 April 2015 and released to the market via the ASX announcement platform on the same date.
Tandou Shareholder	a registered holder of Tandou Shares.
Tandou Shares	shares in the capital of Tandou.
Third Party	a person other than Webster or its representatives.
Trading Day	has the meaning given in the ASX Listing Rules.
Verolot	Verolot Limited.
Voting Power	has the same meaning given to that term in section 610 of the Corporations Act.
VWAP	the volume weighted average price at which shares trade on ASX in the relevant period.
Water Rights	all water access licences, entitlements and allocations, both permanent and temporary allocations, including all such licences and allocations issued under the Water Management Act 2000 (NSW).
Webster	Webster Limited (ACN 009 476 000).
Webster Shareholder	a registered holder of Webster Shares.
Webster Shares	ordinary shares in the capital of Webster.

16.2. Interpretation

In this Bidder's Statement, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a person in this Bidder's Statement or any other document or agreement includes its successors and permitted assigns;
- (c) a reference to a gender includes any gender;
- (d) a reference to an item in a Section, Schedule, Annexure or Appendix is a reference to an item in the section of or schedule, annexure or appendix to this Bidder's Statement and references to this Bidder's Statement include its schedules and any annexures;
- (e) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (f) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a Governmental Agency;
- (g) headings are included for convenience only and do not affect interpretation;
- (h) a reference to a document or agreement including this Bidder's Statement, includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (i) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (j) the terms "included", "including" and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (k) a reference to a statute or statutory provision includes but is not limited to:
 - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (l) reference to "\$", "A\$", "Australian Dollars" or "dollars" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia;
- (m) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution of the directors of Webster.

Dated 16 April 2015

Signed

For and on behalf of Webster

A handwritten signature in black ink, consisting of a large, stylized initial 'W' followed by a series of connected loops and a long, wavy horizontal line extending to the right.

Chairman

Appendix A

Webster ASX Announcements

Date	Announcement
15/04/2015	Notice of General Meeting and Shareholder Booklet
06/03/2015	Change in substantial holding
05/03/2015	Change in substantial holding
05/03/2015	Change in substantial holding
27/02/2015	Half Yearly Report and Accounts
27/02/2015	Acquisition of Bengorang and Tandou Bid
27/02/2015	TAN: Takeover Bid Announcement
19/12/2014	Becoming a substantial holder
17/12/2014	Notice under section 708A(5)(e) of the Corporations Act
17/12/2014	Appendix 3B
17/12/2014	Acquisition and Placement Completion
08/12/2014	December 2014 Presentation
17/11/2014	Final Director's Interest Notice
14/11/2014	Webster announces purchase of Kooba Aggregation
11/11/2014	2014 AGM Results of Meeting
11/11/2014	2014 AGM CEO's Presentation
11/11/2014	2014 AGM Chairman's Address
10/11/2014	Webster Announces Sale of Onion Operation

Appendix B

Tandou ASX Announcements

Date	Announcements
14/04/2015	Change in substantial holding
17/03/2015	Change in substantial holding
02/03/2015	Tandou Reports Half Year Results
27/02/2015	WBA: Acquisition of Bengelang and Tandou Bid
27/02/2015	Takeover Bid Announcement
27/02/2015	Half Yearly Report and Accounts
29/10/2014	Results of Meeting
28/10/2014	CEO Presentation
28/10/2014	Chairman's Address to Shareholders