



26 May 2015

UPDATE – Takeover bid by Webster Limited

Dear Shareholder

On 16 April 2015 the Directors of Tandou Limited (**Tandou**) dispatched a target's statement in response to Webster Limited's (**Webster**) off market takeover bid (**Offer**) to acquire all of your Tandou shares. The Offer has been unanimously recommended by Tandou's Directors and concluded to be fair and reasonable by Tandou's independent expert, Deloitte Corporate Finance Pty Ltd.

On 25 May 2015 Webster held an extraordinary general meeting (**EGM**) to vote on resolutions to, among other things, approve Webster's proposed acquisition of Bengering Limited and to permit Webster to complete the proposed takeover of Tandou. These resolutions were approved by Webster's shareholders at the EGM.

As at 25 May 2015 Webster had received acceptances into its Offer totalling approximately 37% of Tandou's shares.

On 25 May 2015 Webster's share price closed at \$1.96. This equates to an implied consideration of approximately **\$0.87** for every Tandou share and represents a premium of 83% to the Tandou share price of \$0.475 as at the close of trade the day before the Offer was announced on 27 February 2015.

In accordance with the Merger Implementation Agreement executed on and released to ASX on 27 February 2015 and subsequent to the EGM approvals noted above, the Directors of Tandou will accept the Offer for all of their Tandou shares by 27 May 2015 if they have not already done so.

The Offer is currently **scheduled to close on 12 June 2015** and no superior competing proposal has emerged. **We therefore continue to recommend you accept the Offer by completing and returning the Acceptance Form to the address given on the Acceptance Form as soon as possible.**

Your Directors will continue to keep you updated on all material developments with respect to the Offer.

Rob Woolley
Chairman

TANDOU LIMITED
ABN 81 001 014 562

About Tandou Limited:

Tandou Limited (ASX:TAN) was established in 1972 and has evolved into a modern Australian water investment and agribusiness company that owns a significant and diversified portfolio of water entitlements, along with its large scale irrigated cropping and pastoral operations. Over time Tandou has invested in water entitlements strategically held across various river systems in the Murray Darling Basin. In addition to investing in entitlements and trading water allocations Tandou combines traditional farming knowledge with the latest technological advancements throughout its enterprises to minimise risk and produce high value returns. Tandou's land holdings cover approximately 135,000 hectares near Menindee, NSW and 13,500 hectares near Hay, NSW with approximately 19,500 hectares (in total) developed for irrigation. The Company is a major producer of cotton and cereal, along with organic lamb on its pastoral operations. Its corporate office is located in Mildura, Victoria.