



Dear Investor,

Australian Whisky Holdings is writing to you to inform you of the condition and state of your barrels and the approximate anticipated window of maturity, and to make an offer to commit to purchase your barrel back on maturity.

We are making this offer to selected barrel investors as a result of concerns arising from the recent insolvency of several companies in the Nant group of companies, formerly managed by Keith Batt and Margaret Batt.

Your barrels are secure

All identified investor barrels are held in our regulated heritage bond stores at Nant Estate in Bothwell, Tasmania. They are secure under lock and key with staff living on site. Access to the bond stores is strictly controlled. The barrels have been insured and they are being managed and regularly monitored by our distillers.

Through regular expert monitoring of the barrels we are able to identify when the whisky reaches maturity, so that we can judge the optimal time to decant the whisky in order to maximise its value and quality.

Our concerns

When you invested in Nant whisky, the Nant distillery was owned and operated by a group of companies (**the Batt companies**) managed by Mr Keith Batt.

You were promised that, upon maturity of your whisky, one of the Batt companies would purchase your whisky back from you. However, developments over recent months have given investors cause for concern about whether or not this promise would be kept:

- **Nant Estate Pty Ltd** and **Nant Barrel Holdings Pty Ltd** (now known as NAW Estate Pty Ltd and NAW Barrel Holdings Pty Ltd), have been placed into receivership.
- FTI Consulting – receivers appointed by Eclipx Commercial (a private financier) to another Batt company, **Nant Distillery Pty Ltd** (now known as NAW Distillery Pty Ltd) – have attempted to seize investor barrels and distillery equipment.



- Two other Nant companies, **Nant Asset Holdings Pty Ltd** and **Nant Hospitality Group Pty Ltd** (now known as NAW Asset Holdings Pty Ltd and NAW Hospitality Group Pty Ltd) have been found to be insolvent and placed into voluntary administration.

It has also been discovered that, whilst the Nant companies were under Mr Batt's management, some investor whisky was dealt with (decanted and sold) without notification or payment to the barrel owner. It is currently not known what happened to the proceeds of sale of that whisky.

It has also been discovered that certain barrels were emptied and refilled, and/or filled with whisky of lower than average alcohol concentration (ABV). "Second fill" and "low ABV" barrels such as these take longer than normal to mature and may not develop the complexity of a high quality whisky, impacting the whisky's value.

Australian Whisky Holdings has stepped in

Australian Whisky Holdings responded to these developments by stepping in to ensure the security and proper management of investor barrels.

After purchasing Nant Estate, we took possession of the barrels and obtained ATO approval to manage the bond stores. We opened lines of communication with barrel investors and kept investors informed as new information came to light. We accepted appointment as manager of the barrels and insured the barrels at our own expense, and our distillers commenced ongoing management and monitoring of the barrels in order to ensure quality was maintained.

We have also appointed an external Chartered Accountant as receiver of two of the Nant companies in order to investigate (among other things) what became of the proceeds of sale of whisky that was sold while the companies were under Mr Batt's management.

We would like to make you an offer

Australian Whisky Holdings is committed to the production of premium whisky and concerned to see that barrel investors receive a fair return on their investment.

Given what has occurred with the Batt companies, we would like to make you an offer in order to ensure that you have certainty and peace of mind moving forward. Our offer has two key aspects:

- We will commit to monitoring, management and insurance of your barrel(s) until maturity.
- We will pay you an up-front deposit immediately.

Due to the way the Batt companies were managed, not all barrels are of equal value. This offer is therefore made exclusively for the specific barrel or barrels identified in the offer.

Acceptance and payment of deposit

Upon your acceptance to our offer, we are pleased to offer an **immediate up-front deposit**, which will be made to your nominated bank account. The attached **Acceptance Form** identifies the deposit amount.

3.

If you wish to accept this offer, please complete and return the form within **seven days** of the date of this letter.

Please note that, if you choose not to accept this limited-time offer, we are unable to guarantee further monitoring and/or insurance of your barrels at our expense. We look forward to working with you.

Yours faithfully,



Chris Malcolm
CEO
Australian Whisky Holdings Limited



LIMITED OFFER

Barrel number(s)	Low ABV?	Second fill?	Est. maturity*

*The maturation of whisky is not a precise science and this is only an estimated maturity date. If this date changes, our distillers will detect the change during their regular monitoring of the barrels and we will notify you.

AUSTRALIAN WHISKY HOLDINGS MANAGEMENT PTY LTD TERMS OF LIMITED BARREL OFFER

1. Offeror

This offer is made by Australian Whisky Holdings Management Pty Ltd (AWHM), a wholly owned subsidiary of Australian Whisky Holdings Limited. References in these terms to “we”, “us” and “our” are references to AWHM.

2. Scope of offer

This offer is made with regard only to the barrels identified above.

3. Management rights

Subject to the terms of this offer, we will immediately take over all legal rights and responsibilities under your previous barrel management agreement, subject to the changes provided for in this offer. You agree to such assignment and variation.

4. Preservation of status quo

The whisky will remain under our management and monitoring until our distilling team determines that it is ready to be decanted. You agree that you will not seek to remove the whisky, nor sell or promise the whisky to any third party, without our approval.

5. No claim

You agree not to initiate or participate in any claim or action against us, or any of our related companies, in connection with the previous handling and treatment of your barrel(s), the previous operation of the barrel investment scheme, or any other matter connected with, or arising from the conduct of, the Batt companies.

6. Payment of deposit

Upon acceptance of our offer, title to your whisky will vest in us, and we will be obliged to pay you a deposit (in the sum pre-filled on the accompanying Acceptance Form), with the balance of the purchase price payable upon

maturity of the whisky in accordance with these terms. If you also own the physical barrel, references to the whisky include the barrel, which will be included in the sale.

7. Offer price

At the point of maturity, we will determine the appropriate offer price having regard to the age and quality of the whisky, the quantity being purchased, the state of the barrel, and such other factors are likely to affect the resale price.

8. Price protection

If the price we offer you is less than was provided for in your previous agreement, you may request that we increase our price. If we are unable to agree on a price, we will retransfer your whiskey to you and you may uplift and remove it upon receipt of excise clearance, suitable arrangements for alternative storage being made, and reimbursement of the deposit and our reasonable costs of having stored, monitored, managed and insured your whisky being met (note: these amounts are reimbursable only in respect of whisky that is retransferred).

9. Acceptance of offer price

If you accept our offer price, our payment of that price will be in full and final settlement of any rights and entitlements you may have in the whisky and the barrel(s) it has been stored in.

10. Incentives/bonuses

We and our related companies will not be liable to deliver any bonuses, incentives or other commitments promised or offered by the Batt companies at the time you purchased your barrel(s) (or at any other time), including (but not limited to) free whisky bottled from your barrel, discounts on purchases of whisky, tastings and events at Nant Estate, boat trips, discounts or any other bonuses or incentives of any form or description.

