



21 June 2017

Important Information for Nant Barrel Investors

Australian Whisky Holdings (AWH) is pleased to inform Nant barrel investors that it has now purchased back all mature whisky barrels from investors at their full expected price, and paid a deposit on a further number of investor barrels. AWH has had a strong early response to the offer put to barrel investors.

AWH would like to assure all Nant barrel investors of the following:

1. All barrels are located on the Nant Estate in bond stores owned and operated by AWH, which comply with the Australian Tax Office's rules governing the storage of distilled products in Australia. AWH has its own licence to store and maintain distilled products. These barrels are being maintained under the proper conditions, and the costs of storage of your whisky and maintaining the licence, including those relating to excise reporting and audit, is currently being borne by AWH.
2. These barrels, whilst located in the AWH bond stores on the Nant Estate, are insured by AWH. This cost of insurance is currently being borne by AWH without charge to barrel investors.
3. The AWH staff maintaining the investor barrels are the same distillers who distilled your whisky and produced the award winning Nant Highland Whisky previously. The cost of the distillers in the maintenance and testing of your barrels is currently being borne by AWH.

AWH has not to date sought reimbursement for the above costs.

The receiver appointed to both of NAW Barrel Holdings Pty Ltd and NAW Estate Pty Ltd, Mr David Levi of Levi Consulting Pty Limited, as well as his employees, have visited the AWH bond stores at the Nant Estate, and are satisfied that the barrels are secure and are being maintained appropriately by AWH. AWH is working in the interest of barrel investors by bearing all expenses associated with the barrels, including storing, and defending against those parties attempting to acquire the barrels cheaply and for their own benefit.

AWH has not decanted and bottled any barrels owned by investors.

If you have not already done so, you have the opportunity as a barrel investor to either sell your mature barrel to AWH, or accept a deposit on your maturing barrel, to be paid in full for it at the point of maturation. The offer document previously issued is attached to this below for your reference.

Receivership of former Nant entities

All monies paid by barrel investors to produce whisky was paid to the NAW Distillery Pty Ltd, formerly Nant Distillery Pty Ltd (*NAW Distillery*). NAW Distillery has entered into receivership under the control of FTI Consulting and others, and owes NAW Barrel Holdings Pty Ltd approximately \$5 million for whisky it has not produced for barrel investors.



As you may be aware, FTI Consulting has been trying to package up the plant and equipment, the NANT trade mark and business (including your barrels) for sale. Any proceeds of sale that may be due to barrel owners would be paid only after payment of fees to FTI Consulting and its legal advisors, and payment to the secured creditor for whom FTI Consulting acts, Eclipse Commercial Pty Ltd, which is owed approximately \$2.2 million plus penalty interest which continues to accrue.

In its efforts to consolidate the Nant whisky barrels for sale, FTI Consulting is trying to remove your barrels from the secured bond stores at the Nant Estate.

Removing your barrels from the Nant Estate

If you wish to remove your whisky barrel from the Nant Estate, approval will be required from FTI Consulting and owner of the physical barrels, Vincorp S.A. Pty Limited trading as Barrel Finance & Logistics, which may take some time to obtain. Movement and transportation of your barrel has the potential to result in damage or leakage of your barrel or the barrels of other investors, and you will need to obtain appropriate public liability and third party property insurance to access the bonded storage facility for the removal of barrels. You will also need to ensure compliance with regulatory requirements related to excise and transportation of whisky barrels imposed by the Australian Taxation Office.

Further, if barrels are removed, it may become no longer possible to class the whisky as “highland whisky”, as moving the barrels to another location and storing them under different conditions may affect the maturing times and taste.

In light of the above, AWH encourages you to carefully consider our offer for your barrels and accept either a deposit or a complete payout as appropriate. For more information, please contact Jacqueline Molina via email on Jacqueline.molina@australianwhiskyholdings.com or on contact number 0497 172 666.

Yours faithfully,

Chris Malcolm
CEO
Australian Whisky Holdings Limited