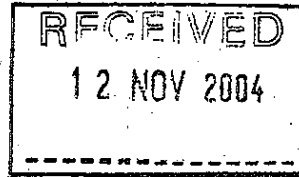


04P06134



Hon. Mike Rann MP
The PREMIER of SOUTH AUSTRALIA

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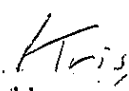
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Mr Kris Hanna MP
Member for Mitchell
867 Marion Road
MITCHELL PARK SA 5043


Dear ~~Mr Hanna~~

Thank you for your letter of 23 August 2004 requesting a copy of the Glenthorne Deed of Agreement between the South Australian Government and the University of Adelaide and seeking an update regarding the Glenthorne property.

As you are aware, the University of Adelaide proposed to develop the areas of the property suitable for growing vines (approx 95ha) as a commercial vineyard. The University held extensive discussions with BRL Hardy with the aim of leasing the vineyard areas to BRL Hardy who would develop, maintain and use the grapes from the vineyard.

However, due to Constellation Brand Inc's acquisition of BRL Hardy and the consequent merger and reorganisation and due also to the recent downturn in the wine industry and oversupply of wine grapes, BRL Hardy subsequently advised that they only wished to lease half of the proposed vineyard area. This is not economically viable for the University.

The University has been pursuing other options for the property and, pending identification of suitable proposals for the vineyard and other areas, has been unable to finalise its concept plan for the property, as required under the agreement with the government. Accordingly, the University wrote to the Government, seeking an extension of time. The Government agreed and the deed amended accordingly. A copy of the Deed and the Amendment Deed is attached, as requested.

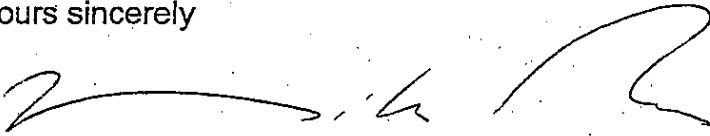
The Government is advised that the University Council has recently been briefed on the situation at Glenthorne and University staff are rigorously reviewing options for the property, on the basis that the site be retained as open space.

As you may be aware, Planning SA are working on a Hills Face Zone Plan Amendment Report (PAR) to replace the present interim PAR and give effect to the recommendations of the Hills Face Zone Review. The Review proposed that part of the Glenthorne property be included in the Hills Face Zone and the University is working with Planning SA to identify the area of the property, if any, which should be included and the implications for the University's plans for use of the site.

Management and maintenance of the property is currently being undertaken through Martindale Farm, a University-owned company.

I am advised that the Friends of Glenthorne have continued their support for the University's concept for Glenthorne, with ongoing visits to the property to undertake maintenance and revegetation work.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mike Rann". The signature is fluid and cursive, with a large, sweeping initial "M" and a distinct "R".

MIKE RANN
Premier

9 11/10/2004