

Tuesday, 10 August 2010

HALF YEAR EARNINGS FORECAST

The Directors of Tandou Limited (ASX:TAN) advise that the Company expects to report a half year loss after tax of \$410,000 for the six months ending 30 June 2010.

This preliminary earnings result is below the previous half year result (\$853,000 profit after tax) primarily as a result of falling water prices following the Queensland floods earlier this year and the subsequent increase in available allocations. The Company sold 23,410 megalitres of water allocations (24,250 megalitres for the six months to 30 June 2009) at an average price of \$151 per megalitre, compared to \$364 per megalitre in 2009.

While this has resulted in lower first half earnings, the improved water allocation position and lower water prices has enabled the Company to commence preparations for a 4,000 hectare cotton crop planting during the remainder of the 2010 financial year.

The preliminary result also includes approximately \$480,000 of "defence" costs in relation to the GPG takeover offer, which concluded on 7 July 2010.

Finalised half year earnings including audit review and directors' review of operations will be reported to shareholders during the week commencing 23 August 2010.

Yours faithfully



Guy Kingwill
CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

TANDOU LIMITED
ABN 81 001 014 562

About Tandou Limited:

Tandou Limited (ASX:TAN) is a modern Australian agribusiness and water company that owns and operates large scale irrigated cropping, horticultural and pastoral operations. Established in 1972 Tandou's land holdings cover nearly 85,000 hectares near Menindee NSW, 250 km north of its Mildura corporate office. Over time Tandou has invested in water entitlements and currently owns over 36 gigalitres strategically held across various river systems in the Murray Darling Basin. In addition to trading water entitlements and allocations Tandou combines traditional farming knowledge with the latest technological advancements throughout its enterprises to minimise risk and produce high value returns. It is a major producer of irrigated cotton and durum wheat, along with stone fruit, wine grapes, citrus and organic lamb. Tandou also provides farm management and development services.

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