

TasFoods Limited ACN 084 800 902

22 January 2016

Dear shareholder

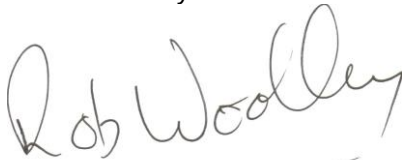
As recently announced to ASX, as a consequence of the uncertainty that has arisen in relation to the proposed capital raising to fund the acquisition of the assets of The Van Diemen's Land Company (**VDL**), the board of directors of TasFoods Limited (**Company**) has taken the view that the prospects of obtaining specific performance of the Company's agreement to acquire the VDL assets have diminished. Although the board believes the Company's damages claim against New Plymouth District Council, Tasmanian Land Company Limited (**TLC**) and others for breach of that agreement is sound, the board is conscious that continuing the litigation will require considerable costs and management time which could be better directed towards pursuing other opportunities for the Company. In the circumstances, the Company has agreed to settle the litigation. Under the terms of settlement, the Company is entitled to receive a cash payment of \$1,250,000 from TLC in full and final settlement of the matter. In consequence, the Company's application for leave to appeal to the Court of Appeal of the Supreme Court of Victoria and the trial scheduled to commence on 22 February 2016 will be discontinued.

Given the Company will not pursue the acquisition of the VDL assets, the general meeting of the Company scheduled to be held on 29 January 2016 to obtain shareholder approvals regarding the acquisition is no longer required and has been cancelled.

The Company is continuing to explore other acquisitions consistent with its strategy ultimately to build an integrated business based on premium food products primarily sourced from Tasmania and will provide a further update in due course.

In the meantime, thank you for your continuing support of the Company.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Rob Woolley', with a long horizontal line extending from the bottom of the signature towards the left.

Rob Woolley
Chairman