



Dromana Estate Limited

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PRESS RELEASE / STOCK EXCHANGE ANNOUNCEMENT

The directors wish to announce that the company has traded in line with budget for the first two months of this financial year. A continuation of this performance will see the company achieve a modest profit for the year, compared with the significant losses incurred over the previous two years.

A series of initiatives will contribute to the result:

1. The company secured the wine hospitality rights for "The Famous Spiegeltent" for both the Melbourne International Arts Festival and the extended season through to mid December 2004. The company is thrilled to be associated with this entertainment icon and to be able provide the opportunity for patrons to enjoy a range of our wines.
2. The company secured a contract with a leading consumer goods company to supply wine as part of their summer promotion. This contract will result in additional sales of up to 1,400 cases.
3. The company has entered an arrangement with a leading hotel group that will enable all their hotels to purchase our wines through an e-procurement system.
4. The company's previously announced "loyalty program" has exceeded initial expectations and now has in excess of 140 restaurants and wine bars. The program has stabilised our domestic wholesale sales and we look forward to achieving maximum benefit of the program as we head into the peak Spring and Summer seasons.

The company has progressed talks with selected brokers in London in regard to the company listing on AIM. The brokers have indicated that there is strong interest in the Dromana Estate listing. It is anticipated that a final decision will be made in the next two weeks.

The decision to list on AIM (concurrently with the ASX) will be subject to shareholder approval at the Annual General Meeting on November 29, 2004.

For further information on any of the above please do not hesitate to contact the undersigned on 03 9600 3242.

Chris Ritchie
Company Secretary