



Dromana Estate Limited

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**Company Announcements Office
Australian Stock Exchange Limited,
Level 4, 20 Bridge Street,
Sydney 2000.**

**Company Announcements Office,
London Stock Exchange plc
10 Paternoster Square,
London, EC4M 7 LS**

RESULTS OF RIGHTS ISSUE

The 1:1 rights issue closed on March 20, 2006 and applications were received for 18,163,679 shares out of the total of 22,387,705 made available under the rights issue. The rights issue therefore closed at an 81.13% level of acceptance.

The company raised \$1,271,457.53.

The shares were allotted on March 27, 2006 after the company had reviewed all applications in order that no allotment of shares were made to any applicant that would have breached the ASX Listing Rules or Australian Corporations law.

The directors are currently in negotiation with several parties with a view to placing the shortfall of 4,224,026 shares.

Application will be made for the new ordinary shares to be admitted to trading on AIM, which is expected to commence on April 5, 2006.

SUBSTANTIAL SHAREHOLDER NOTICES

As a result of the allotment of the shares applied for under the rights issue the company has received the following Substantial Shareholder Notices.

1. Mr Richard Green

In his own name and with a relevant interest in the holdings of Paribas Pty Ltd, Deniliquin Developments Pty Ltd and Jinalec Pty Ltd, Mr Green has a relevant interest in ordinary shares totalling 17.57% of the company's issued capital.

2. Mr David Craig

In his own name and with a relevant interest in the holdings of Joan Lovell Craig, Harvard Nominees Pty Ltd, Regent Fine Wines Pty Ltd and Jinalec Pty Ltd, Mr Craig has a relevant interest in ordinary shares totalling 19.07% of the company's issued capital.

3. Jinalec Pty Ltd (as trustee for the Tuerong Park Unit Trust)

In its own name the company has ordinary shares to the value of 14.84% of the company's issued capital.

Chris Ritchie
Company Secretary