Dromana Estate Limited
ABN 58 090 000 276
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15 June 2009

Australian Stock Exchange
Company Announcements Office
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

ASX Announcement - Renounceable Rights Issue

Dromana Estate Limited (**"Company"**) announces that it is making an offer of 15,312,499 ordinary fully paid shares at an issue price of $0.02 each to raise up to $306,250 on the basis of a renounceable pro rata entitlements issue of one (1) new share for every four (4) shares held by the shareholders at the record date of 23 June 2009.

Proceeds from the Rights Issue are planned to be used primarily for the bottling of bulk wine for immediate release to the market and the provision of additional working capital to support sales and marketing initiatives both within Australia and overseas and, in particular China, where we have appointed a business development manager for this market.

Further details of the pro rata offer will be included in a letter to be despatched to shareholders on 26 June 2009.

The Directors confirm there is currently no information to be disclosed which is excluded information (as defined in section 708AA(8) of the *Corporation Act 2001*) that is reasonable for investors and their professional investors to expect to find in a disclosure document.

Please find attached an Appendix 3B relating to the proposed issue of shares.

David Craig
Director

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

DROMANA ESTATE LIMITED

ACN/ABN

58 090 000 276

We (the entity) give ASX the following information.

Part 1 - All issue

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Fully paid ordinary shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	up to 15,312,499
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares ranking equally with DMY's existing ordinary shares.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The fully paid ordinary shares will rank equally in all respects with DMY's existing quoted ordinary shares.
5	Issue price or consideration	2 cents per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Proceeds from the Rights Issue are planned to be used primarily for the bottling of bulk wine for immediate release to the market and the provision of additional working capital to support sales and marketing initiatives both within Australia and overseas.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	20 July 2009

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	79,281,710	Ordinary shares

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+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	3,758,000	Options

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend anticipated for current financial year.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	Shares offered on a 1-for-4 basis.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	23 June 2009
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be disregarded.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	New issue documents (ie. the Offer letter dated 26 June 2009) will only be sent to Shareholders in Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	10 July 2009

20	Names of any underwriters	This issue is not underwritten.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable.
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	26 June 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	12 June 2009
28	Date rights trading will begin (if applicable)	17 June 2009
29	Date rights trading will end (if applicable)	1 July 2009
30	How do +security holders sell their entitlements *in full* through a broker?	Contact their stockbroker
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	Lodge Acceptance Form for shares to be accepted. Contact broker for sale of balance.

32	How do +security holders dispose of their entitlements (except by sale through a broker)?	For shares held on a company issuer sponsored subregister, through the share registry.
33	+Dispatch date	20 July 2009

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .... Date: 15 June 2009
(Director/Company secretary)

Print name: DAVID CRAIG
DIRECTOR

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