



**Prince Hill Wines Limited (“PHW”)**

ABN 99 000 094 995

9 April 2010

**Prince Hill Wines Limited – Renounceable Rights Issue**

Prince Hill Wines Limited (ABN 99 000 094 995) (“**PHW**”) today announced that it will be offering Eligible Shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the PHW (“**New Shares**”) via a renounceable rights issue (“**Rights Issue**”) on the basis of 2 New Shares for every 1 Share held.

“Eligible Shareholders” are the persons or corporations with a registered address in Australia or New Zealand who are shown in PHW’s Share Register to hold shares as at 5:00pm (Sydney Time) on 19 April 2010 (“**Record Date**”). Any fractional entitlements will be rounded up. The Rights Issue is subject to PHW receiving acceptance for not less than 30 million New Shares. Above that minimum subscription, the Rights Issue is underwritten by Ironwood Investments Pty Ltd to the extent of a tranche of 30 million New Shares of any shortfall. Assuming the minimum subscription is reached, hence triggering the commitment of the underwriter, the Rights Issue will raise a minimum of \$300,000 (represented by 60 million New Shares).

The directors reserve the right pursuant to ASIC Class Order CO08/35 and (in respect of allotment of greater than 15% of the total shares on issue) Listing Rule 7.2 (Exception 3) to allot and issue to any one or more Eligible Shareholders any securities for which valid applications have not been received and accepted by the Company by the Closing date (“**Shortfall**”) in respect of this Offer. Any such allotments would be after the underwriter has fulfilled its commitments.

Any Shortfall will be placed within 3 months of the Closing Date and will be issued on the same terms as being offered to the Eligible Shareholders pursuant to the offer document. Shortfall shares will not be issued to persons in circumstances where shareholder approval would be required in accordance with the ASX Listing Rules or where the issue would result in a breach of the Corporations Act.

New Shares under the Rights Issue will be offered at \$0.005 per New Share. The maximum number of New Shares which may be issued under the Rights Issue is approximately 249,276,814.

The money raised by the Rights Issue (net of costs) will be used to provide additional working capital to fund PHW while it completes the sale process in relation to the Mudgee winery and vineyard.

The Rights Issue, if fully subscribed, will not result in any change to the control of PHW as the offer is a pro-rata offer. However, the proportional shareholdings of Shareholders who are not resident in Australia or New Zealand may be diluted as those Shareholders are not entitled to participate in the Rights Issue. Additionally, if an Eligible Shareholder does not take up their entitlement in full, there may be a dilutionary effect on that Shareholder's proportional shareholdings.

The Rights Issue will be made pursuant to a Rights Issue Offer Document to be despatched to shareholders on 23 April 2010. The Rights Issue Offer Document will be made pursuant to section 708AA of the *Corporations Act 2001* (Cth) ("**the Act**") and will not be a disclosure statement for the purposes of Chapter 6D of the Act. Accordingly, the level of disclosure contained in the Rights Issue Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of PHW and disclosures made to the ASX and should consult their professional advisers before deciding whether to accept the offer.

The proposed timetable of the Rights Issue is:

Announcement of pro-rata offer to all shareholders	9 April 2010
Lodgement with ASX of the Offer Document, notice under section 708AA(2)(f) of the Act and Appendix 3B	9 April 2010
Existing shares quoted ex-rights and ASX commences quoting a market in rights	13 April 2010
Record Date to determine entitlement to rights	19 April 2010
Mailing of Offer Document (including entitlement and acceptance form) to Eligible Shareholders	23 April 2010
Rights trading ends	3 May 2010
Closing Date of Offer	10 May 2010
Company notifies ASX of under subscriptions	13 May 2010
Allotment of New Shares and despatch of holding statements for New Shares and lodgement of section 708A notice with ASX	14 May 2010
Commencement of trading of New Shares on ASX	17 May 2010

This timetable is indicative only and PHW reserves the right (subject to the Act and the ASX Listing Rules) to vary the dates and times of the offer.

Appendix 3B in relation to the Rights Issue is attached.

Yours sincerely

**Andrew Parkinson**  
**Managing Director**

For personal use only