



**Prince Hill Wines Limited ("PHW")**

ABN 99 000 094 995

21 April 2008

Australian Securities Exchange  
Company Announcements Office  
Level 21  
91 King William Street  
Adelaide SA 5000

Dear Sir / Madam

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

Prince Hill Wines Limited (ABN 99 000 094 995) ("**PHW**") is pleased to announce 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 1 New Share 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 7 May 2008 ("**Record Date**"). Any fractional entitlements will be rounded up.

New Shares under the Rights Issue will be offered at \$0.03 per New Share. The Rights Issue will not be underwritten. The maximum number of New Shares which may be issued under the Rights Issue is approximately 106,553,100. A further 15,600,000 New Shares may be issued if Option Holders exercise their options. Given that the exercise price for Existing Options ranges from \$0.10 to \$0.30 and is significantly greater than the present market price for the Shares, it is considered unlikely that any of the Existing Options will be exercised during the offer period.

The money raised by the Rights Issue (net of costs) will be used to provide additional working capital for PHW (for example, to continue to fund and support an improved marketing and sales program). In the interim, surplus funds will be used for the short term reduction in borrowings.

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 9 May 2008. The Rights Issue Offer Document will not be a disclosure statement for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) ("the Act"). PHW will offer the New Shares under the Rights Issue Offer Document without disclosure to investors under Chapter 6D of the Act pursuant to section 708AA of the Act. Accordingly, the level of disclosure contained in the Rights Issue Offer Document is significantly less than that required

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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 and lodgement of Appendix 3B with ASX	21 April 2008
Notice of pro-rata offer to all shareholders	22 April 2008
Shares quoted ex-rights and rights trading commences	1 May 2008
Record Date to determine entitlement to rights	7 May 2008
Lodgement of section 708AA(2) notice with ASX	8 May 2008
Offer Document despatched with Entitlement and Acceptance Form and announcement to ASX that despatch completed	9 May 2008
Rights trading ends	20 May 2008
Closing Date of Offer	27 May 2008
Notify ASX of shortfall	29 May 2008
Allotment of New Shares and despatch of holding statements for New Shares and lodgement of section 708A notice with ASX	2 June 2008
Commencement of trading of New Shares on ASX	3 June 2008

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**

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