



26 July 2007

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

FOR IMMEDIATE RELEASE TO THE MARKET

GAGE ROADS BREWING CO LIMITED

Employee Incentive Option Scheme

In accordance with the Company's Incentive Option Scheme 750,000 unlisted options have been granted to employees (other than directors) as part of their remuneration and having regard to their past and potential contribution to the Company. Each option entitles the holder to subscribe for and be allotted one ordinary share at an exercise price of \$0.40 per share. The options are only capable of being exercised if the holder is in the current employ of the Company (with an additional 30 day grace period). The options vest at grant date and have a term of 5 years. Please find attached Appendix 3B New Issue Announcement.

Issue of gifted ordinary shares to all full time employees

70,000 ordinary shares have been issued to employees of the Company as a once off gift. All eligible employees at of the Company (other than directors) received a once off gift of 5,000 shares in recognition of their extraordinary contribution to date. The shares were issued for nil consideration in accordance with a resolution of the Board. Please find attached Appendix 3B New Issue Announcement.

Notice under Section 708A

Gage Roads Brewing Co Limited (**Company**) issued 70,000 shares pursuant to an offer made to various employees of the Company on 26 July 2007. The securities are part of a class of securities quoted on ASX Limited (**ASX**).

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act; and

(b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Hoedemaker', is written on a light blue rectangular background.

JOHN HOEDEMAKER
Company Secretary

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

GAGE ROADS BREWING CO LIMITED

ABN

22 103 014 320

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | UNLISTED OPTIONS |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 750,000 |
| 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) | EXERCISE PRICE 40c
EXPIRY DATE 12 JULY 2012
FULLY PAID |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>OPTIONS RANK EQUALLY WITH ORDINARY SHARES UPON EXERCISE</p>				
<p>5 Issue price or consideration</p>	<p>NIL</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>ISSUED TO EMPLOYEES IN RECOGNITION OF THEIR PAST AND POTENTIAL CONTRIBUTION TO THE OPERATION OF THE COMPANY</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>12 JULY 2007</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%;"> <thead> <tr> <th data-bbox="686 1400 997 1478">Number</th> <th data-bbox="997 1400 1283 1478">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 997 1693" style="text-align: center;">44,570,458</td> <td data-bbox="997 1478 1283 1693" style="text-align: center;">ORDINARY SHARE</td> </tr> </tbody> </table>	Number	⁺ Class	44,570,458	ORDINARY SHARE
Number	⁺ Class				
44,570,458	ORDINARY SHARE				

⁺ See chapter 19 for defined terms.

	Number	+Class
9	4,600,000	UNLISTED OPTIONS
10	NOT APPLICABLE	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 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 | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

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

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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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

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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)

--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

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.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 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:

Print name: John Hoedemaker
(Company secretary)

Date: 26 July 2007

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Appendix 3B

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We (the entity) give ASX the following information.

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

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 70,000 |
| 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 |

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<p>5 Issue price or consideration</p>	<p>70,000 SHARES AT NIL CONSIDERATION</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>ISSUED TO QUALIFYING EMPLOYEES AT THE TIME OF ISSUE IN RECOGNITION OF THEIR CONTRIBUTION TO THE OPERATION OF THE COMPANY</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>70,000 SHARES ON 26 JULY 2007</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">44,640,458</td> <td style="text-align: center;">ORDINARY</td> </tr> </tbody> </table>	Number	+Class	44,640,458	ORDINARY
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44,640,458	ORDINARY				

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	4,600,000	UNLISTED OPTIONS
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	AS FOR ALL QUOTED ORDINARY SECURITIES	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
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Sign here:

Print name: John Hoedemaker
(Company secretary)

Date: 26 July 2007

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