



18 March 2008

Company Announcements Office  
Australian Stock Exchange  
Exchange Centre  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

**Via Electronic Lodgement**

**ENTITLEMENTS ISSUE**

Please find attached the Notice to Shareholders which has been dispatched to Shareholders in respect of the Company's non-renounceable entitlements issue.

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For further information please contact:

John Hoedemaker  
Company Secretary  
Gage Roads Brewing Co Ltd

Tel: (08) 9331 2300

AUSTRALIA'S CRAFT BREWERY

GAGE ROADS BREWING Co LTD  
ABN 22 103 014 320

14 ABSOLON STREET PALMYRA WESTERN AUSTRALIA 6157 PO BOX 2024 PALMYRA DC WESTERN AUSTRALIA 6961  
TELEPHONE: (08) 9331 2300 FACSIMILE: (08) 9331 2400 EMAIL: [brewery@gageroads.com.au](mailto:brewery@gageroads.com.au) WEB: [www.gageroads.com.au](http://www.gageroads.com.au)



17 March 2008

Dear Shareholder

**Non-Renounceable Entitlement Issue**

On 13 March 2008, the Company announced to the Australian Securities Exchange (**ASX**) the details of a non-renounceable entitlement issue of up to approximately 51,224,877 Shares at an issue price of \$0.08 each, on the basis of one (1) Share for every one (1) Share held at 5.00pm on 26 March 2008, to raise approximately \$4,100,000 (**Offer**).

An Entitlement Issue Prospectus relating to the Offer (**Prospectus**) was lodged with ASIC and the ASX on 13 March 2008. A copy of the prospectus is available on the ASX website [www.asx.com.au](http://www.asx.com.au) and Gage Roads Brewing Co's website [www.gageroads.com.au](http://www.gageroads.com.au).

The Prospectus and Entitlement and Acceptance Form will be sent to Shareholders on or about 26 March 2008.

The timetable of important dates of the issue are set out below.

<b>Event</b>	<b>Date</b>
<b>Prospectus and Appendix 3B lodged with ASX</b>	<b>13 March 2008</b>
<b>Notice sent to Security Holders</b>	<b>17 March 2008</b>
<b>Ex Date</b> (date from which securities commence trading without the entitlement to participate in the Entitlements Issue)	<b>18 March 2008</b>
<b>Record Date</b> (date for determining entitlements of eligible shareholders to participate in the Entitlements Issue)	<b>26 March 2008</b>
<b>Opening Date of Offer and Prospectus Dispatched to Shareholders</b> (expected date of dispatch of offer document, entitlement and acceptance forms)	<b>31 March 2008</b>
<b>Closing Date of Offer* (5pm WST)</b>	<b>14 April 2008</b>
<b>Allotment date/ securities quoted on a deferred settlement basis **</b>	<b>15 April 2008</b>
<b>Company to notify ASX of undersubscriptions (if any) **</b>	<b>17 April 2008</b>
<b>Dispatch holding statements **</b>	<b>22 April 2008</b>
<b>Normal trading commences **</b>	<b>23 April 2008</b>

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\* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new Shares.

\*\* These dates are indicative only.

The funds raised are expected to ensure the Company has sufficient working capital and the financial flexibility required to implement a new strategic business plan which has the principal objective of achieving profitability within the next 24 months. The funds raised are expected to be applied as follows:

<b>Indicative Application of Funds</b>	<b>Amount (\$)</b>
East coast activation team	1,500,000
Marketing expenditure	1,000,000
Capital expenditure	500,000
Additional working capital	900,000
Expenses of the Offer	200,000
<b>Total</b>	<b>4,100,000</b>

The use of funds set out above is an estimate and may be subject to change in line with results, circumstances and other opportunities.

The new strategic business plan encompasses 6 transparent and demonstrable steps which the Company is expected to achieve by December 2009:

1. Increase volume to 3 million litres.
2. Increase volume per outlet.
3. Increase the outlet base.
4. Double the core range of premium beverage brands through accelerated new product development.
5. Support the Hardy Wine Company and improve our management of both current and potential customers by employing an expanded sales force including Key Account Managers and Activation Managers in New South Wales, Queensland and Victoria.
6. Continue to brew award winning beer

The Company will report on the achievements of these benchmarks on a quarterly basis.

Full details of the issue are contained in the Prospectus that will be mailed to all Shareholders who are registered on the Record Date.

The Directors recommend that Shareholders read the prospectus carefully and participate in their entitlement to take advantage of this Offer and to further the objectives of the Company.

Yours sincerely



**John Hoedemaker**  
**Company Secretary**  
**Gage Roads Brewing Co Limited**