



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

Via electronic lodgement

17 April 2008

Entitlement Issue and Shortfall Placement

Gage Roads Raises \$1.5 million

Gage Roads Brewing Co Limited announced a non-renounceable share entitlement offer on 13 March 2008. The offer closed on 14 April 2008.

The Board of Gage Roads Brewing Co Limited wishes to advise that eligible shareholders have lodged acceptances for a total of \$470,524 (5,881,545 shares) by the closing date.

Pursuant to Section 1.3 of the Prospectus the Company reserves the right to place the resulting shortfall of \$3,627,467 (45,343,332 shares) within 3 months after the closing date.

In relation to the shortfall placement, the Directors are pleased to advise that they have received firm commitments as of today's date to subscribe for shortfall shares from a number of existing shareholders (who were unable to participate in the entitlement offer within the required timeframe), clients of stockbrokers and the general public, totalling a further \$1,040,144 (13,001,802 shares).

In what is a difficult capital market environment, the Company is therefore delighted to have received support from both existing and new investors totalling \$1,510,668.

The Company has also received strong expressions of interest from a number of individuals and groups regarding the remaining shortfall placement.

The Company's Chairman Ian Olson said *"It is pleasing that a number of existing shareholders have elected to continue to support the Company in its new strategic direction. We are also delighted to have received the support of new investors and as a team look forward to continuing the good work that has been done in recent months."*

Update on Strategic Plan

The Directors are pleased to announce that the execution of the new Strategic Plan previously communicated to the market has generated demonstrably positive results for the March quarter.

AUSTRALIA'S CRAFT BREWERY

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- Sales volume results exceeded budget by 62%.
- Revenue exceeded budget by 54%.

CEO Nick Hayler said *"The team at Gage has embraced a cultural change that encourages a can-do attitude and a sense of urgency. They are 100% committed to the new Strategic Plan and we are all looking forward to rolling the rest of it out over the next 2 years."*

The strategic objectives implemented during the quarter which drove these results include:

- A focus on re-launching the New Premium Lager with a new taste profile and marketing direction;
- The release of New World Wheat, the second beer in the Gage Roads' World Tour;
- Draught sales in key ambassador outlets throughout WA; and
- Improvement of in-store sales execution standards by our newly employed Market Activation Sales Team including 4 new team members on the East Coast.

The strategic objectives which will be implemented in the next quarter to continue this momentum include:

- releasing Wahoo Premium Ale, a highly sessionable Ale targeting a different demographic of consumers;
- the launch of 2 limited-release award winning French style beers;
- the re-release of our highly awarded London Best, which among other awards won a Gold Medal at the recent Australian International Beer Awards;
- the release of non-beer beverages;
- the employment of a Key Account Manager to negotiate positioning in buying chains and national liquor outlets; and
- continued expansion of the Market Activation sales team.

The Company's Chairman Ian Olson said *"This quarter's results are encouraging and endorse the new strategic direction of the Company. The Directors are confident that the momentum achieved to date can be built on to achieve the Company's objectives."*

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For further information please contact:

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