



27 May 2008

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

Via Electronic Lodgement

**New Distribution Agreement
&
\$2m Convertible Loan Note Facility with VOK Beverages**

Gage Roads Brewing Co Ltd (ASX: GRB) is pleased to announce it has signed a Heads of Agreement with VOK Beverages Pty Ltd to distribute Gage Roads' products Australia wide.

In addition to the distribution agreement, VOK Beverages has the opportunity to take a cornerstone investment in Gage Roads, by exercising a convertible note facility of \$2 million, subject to shareholder approval.

This agreement has a significant positive impact on Gage Roads' cash flow. Under the terms of the convertible note, distribution, sales and some marketing costs over the next two years will be deferred and converted to equity.

Gage Roads' Chief Executive Officer Nick Hayler said the agreement with VOK Beverages presented a major opportunity for Gage Roads.

"VOK is an Australia wide distributor with an outstanding reputation for distributing both its own range of proprietary brands as well as a number of Diageo brands," said Mr Hayler.

"With VOK's excellence in sales execution and our expanding range of quality beers we believe this agreement will significantly boost the sale of Gage Roads' products nationally.

"Additionally, having a cornerstone investor of VOK's calibre and standing in the market will significantly accelerate the penetration of the company's brands and the delivery of Gage Roads' business plan.

"This is a major milestone for Gage Roads and secures its future as a leading WA craft brewery," he said.

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AUSTRALIA'S CRAFT BREWERY

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VOK Beverages Managing Director Angelo Kotses said the company was pleased to have the opportunity to partner with Gage Roads.

"The Gage Roads award-winning range of products make a fantastic addition to our portfolio of products," said Mr Kotses.

"We have been seeking to enter the beer market for some time and were thrilled to secure the distribution agreement with Gage Roads.

"In addition, we believe they will make a fantastic business partner and look forward to a long and fruitful future together," he said.

The distribution agreement with VOK will commence on June 1st 2008 and replace the current agreement with Constellation Wines Australia (formerly the Hardy Wine Company) which expires at the end of May.

An Extraordinary General Meeting (EGM) of shareholders will be held to vote on the convertible note agreement. Information relating to the EGM will be sent to shareholders in due course.

– ENDS –

About VOK Beverages

VOK Beverages is a privately owned and managed Australian company based in Adelaide.

VOK is the exclusive Australian distributor for a number of Diageo brands which include Ruski, Bulleit Bourbon, Bell's and J&B whiskies, Gilbey's Gin and Captain Morgan Rum. The company also distributes a range of proprietary brands such as VOK Liqueurs and Bickford's cordials.

VOK entered the Australian market in August 2002 and has since become one of the fastest growing companies in the alcohol market well recognised for realising the untapped potential of brands.

www.vok.com.au

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