



03 November 2008

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

**NOTICE TO OPTIONHOLDERS OF PARTICIPATION IN ENTITLEMENTS ISSUE
Gage Roads Brewing Co Limited (ASX Code: GRB)**

Please find attached a Notice to Gage Roads Brewing Co Limited Optionholders of their right to participate in the Company's pro-rata renounceable Entitlements Issue which was mailed today.

-END-

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 WEB: www.gageroads.com.au



03 November 2008

Dear Optionholder,

PARTICIPATION IN PRO-RATA RENOUNCEABLE ENTITLEMENTS ISSUE

As announced to ASX on 03 November 2008, Gage Roads Brewing Co Limited (**Gage Roads**) is undertaking a pro-rata non-renounceable entitlements issue to all shareholders of the Company who are registered as shareholders at 5pm Western Standard Time on 13 November 2008 (**Record Date**).

The shares offered pursuant to the Entitlements Issue will be offered at an issue price of \$0.01 for each fully paid ordinary share on the basis of 2 fully paid ordinary share for every 1 existing share held on the Record Date.

The rights attaching to the shares together with all other relevant information relating to the Entitlements Issue will be set out in an offer document which together with the Entitlement and Acceptance Form will be sent to shareholders on or about 18 November 2008.

Key Dates

The proposed timetable for the Entitlements Issue is as follows:-

| | |
|---|------------------|
| Lodgement of Cleansing Notice and Appendix 3B | 3 November 2008 |
| "Ex" date - Rights trading commences | 7 November 2008 |
| Record Date to determine entitlements | 13 November 2008 |
| Offer Document and Entitlement & Acceptance Form sent to Shareholders | 18 November 2008 |
| Rights trading ends | 25 November 2008 |
| Closing Date | 2 December 2008 |

The dates are subject to change and are indicative only.

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There is no inherent right in your options to participate in the Entitlements Issue, unless you exercise your options and are entered onto the register as a shareholder on or before the Record Date. The purpose of this letter is to give you notice prior to the Record Date in which you may exercise your options should you wish to participate in the Entitlements Issue.

If you wish to participate in the Entitlements Issue you must exercise your options in time for the new shares to be allotted before the Record Date. To ensure that your new shares are allotted before the Record Date your notice of exercise of option together with your cheque for the necessary amount must be received by Computershare Investor Services Pty Ltd no later than 13 November 2008. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlements Issue (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlements Issue carefully and if in any doubt, consult with your professional advisor.

Please call the Share Registry, Computershare Investor Services Pty Ltd, on 1300 798 285 if you have any questions.

Yours sincerely

GAGE ROADS BREWING CO LIMITED



John Hoedemaker
Company Secretary

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