



## **Russell Breweries Inc. Closes Private Placement**

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VANCOUVER, January 20, 2012 - Russell Breweries Inc. (TSX.V: RB) (the "Company") is pleased to announce that it closed the non-brokered private placement (the "Private Placement") of units announced previously on January 17, 2012, on January 20, 2012.

Under the Private Placement, the Company issued 15,300,000 units (the "Units") at a purchase price of \$0.05 per Unit, for aggregate gross proceeds of \$765,000.00. Each Unit is comprised of one common share ("Common Share") in the capital of the Company, and one half of one non-transferable share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase one additional Common Share at a price of \$0.10 for a period of one year from closing the Private Placement. The term of the Warrants is subject to an acceleration right at the option of the Company, provided that the daily volume-weighted average trading price of the Common Shares is \$0.15 or higher for at least 10 consecutive trading days and the Company has provided Warrant holders with 30 days prior written notice of the accelerated exercise date.

The securities issued pursuant to the Private Placement will be subject to a hold period of four months and one day from the date of issue in compliance with applicable securities laws and the rules of the TSX Venture Exchange. The net proceeds from the Private Placement will be used for general working capital requirements.

The Company has paid finder's fees totaling \$35,000.00 in connection with the Private Placement in accordance with the policies of the TSX Venture Exchange.

Certain directors and officers of the Company have acquired Units under the Private Placement. Any such participation is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any Units issued to, nor the consideration paid by, such persons exceeds 25% of the Company's market capitalization.

**ABOUT THE COMPANY:** Russell Breweries Inc. produces premium craft beer in Western Canada with breweries located in British Columbia and Manitoba. All products are held to the highest quality standards, brewed without any preservatives, ensuring that the passion that goes into crafting the beers comes through in the taste. Russell Breweries Inc. is a public company trading on the TSX Venture Exchange under the symbol "RB".

***Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

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