



## Russell Breweries Inc. Announces Extension to Existing Loan Agreement

### FOR IMMEDIATE RELEASE

**VANCOUVER, Canada – July 27, 2012** - Russell Breweries Inc. (TSX.V:RB) ("Russell") is pleased to announce that it has agreed to a one year extension (the "Extension") and amendment to a loan agreement (the "Loan Agreement") dated December 31, 2007, pursuant to which the lender ("Lender"), a shareholder of Russell, had provided to Russell a loan (the "Loan") valued at maturity in the amount of \$1,239,000.

The Extension is for one year, with \$812,460 due on maturity on July 31, 2013. Russell has negotiated a discounted value or loan advance amount (the "Loan Advance Amount") of \$738,600, that is calculated based on a 10% per annum interest rate, calculated semi-annually, with interest payable on maturity, resulting in a total loan value of \$812,460 at maturity. In consideration of the Lender's agreement to amend and extend the Loan, the Lender will earn a bonus (the "Bonus") of \$24,373.80 to be included in the Loan amount. Russell may repay the Loan at any time without penalty by paying the Loan Advance Amount together with accumulated interest and prorated Bonus.

The Loan is guaranteed by Russell Brewing Company Ltd. and Fort Garry Brewing Company Ltd. both wholly-owned subsidiaries. As security for the Loan, Russell will grant to the Lender a subordinated security agreement creating a security interest and charge over all of their respective property and assets subordinate to senior debt and senior security of up to \$2.5 million plus capital lease obligations incurred for future acquisitions of equipment and other capital assets.

"The Company has made marked improvements to both the bottom line and revenue growth over the past twelve months and the extension granted by our lender will assist us in securing the additional brewing equipment we require to keep up with the growth we are currently enjoying," says Brian Harris, CEO. The Loan Extension is subject to final acceptance by the TSX Venture Exchange.

Russell Breweries Inc. produces premium beers in Western Canada in 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".

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