



Russell Breweries Inc. Finalizes Technology and Trademark License Agreement For China

Russell Brands to Be Brewed and Distributed in China

FOR IMMEDIATE RELEASE

VANCOUVER, Canada October 9, 2012 – Further to the news release of July 13, 2012, Brian Harris, CEO, Russell Breweries Inc, (“RBI”) is pleased to announce that the Company has completed a non-exclusive technology and trade mark license agreement (“Agreement”) with Russell Breweries (China) Inc. (“RBCI”) to import, produce, package, use, market, sell and distribute Russell brands in China, including Hong Kong and Taiwan.

The principal terms of the agreement includes use of name for the new company, an initial up-front licensing fee and ongoing royalties based on volume of beer produced and sold. In addition, RBI will subscribe for a 20% equity position in Licensee with an option to increase its position to 25%.

Mr. Wang Guodong who previously served as chairman and CEO at Xin Jiang Wusu Breweries Co. Ltd, is Managing Director of Russell Breweries (China) Inc. “We are very pleased to finalize the agreement, said Mr. Wang. By leveraging our extensive background in the Chinese brewery industry, we have been able to quickly assemble an experienced operations team. The team is currently on the ground working on setting up our brewery / brew pub in Hefei, capital city of Anhui Province in eastern China. Our existing business relationship with one of the largest, established local restaurant chain in the city allows us to kick start the business by pursuing a collocation strategy, leveraging existing customer traffic. With a young and open demographic profile, the economic boom town of Hefei provides us an ideal location to establish the base, and then expand to the densely populated surrounding areas. We currently expect the grand opening of this location to be in the first quarter of 2013”.

“We are really excited about the license and joint venture we now have in China,” says Brian Harris, CEO of Russell Breweries Inc. “China is now the world’s largest and fastest growing beer market. If the craft beer market in China follows the trends in North America, we believe this venture could grow very rapidly and in a relatively short period of time.”



About Russell Breweries Inc.

Russell Breweries Inc. is leading Western Canadian brewer. It brews, markets, sells and distributes a diverse portfolio of award-winning beers that are produced by its wholly-owned regional breweries: Russell Brewing Company in British Columbia and Fort Garry Brewing Company in Manitoba. Both breweries are dedicated to producing high-quality, flavourful ales and lagers. Russell Breweries Inc. is publicly listed on the TSX Venture Exchange (TSX.V: RB).

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