



Russell Breweries Inc. Announces Redemption of Convertible Debentures

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VANCOUVER, December 20, 2012 - Russell Breweries Inc. (TSX.V: RB) (the "**Company**") announces that on December 24, 2012 (the "**Redemption Date**"), the Company will redeem its convertible debentures (the "**Convertible Debentures**") maturing on December 24, 2012. The aggregate principal amount (the "**Principal Amount**") of the Convertible Debentures currently outstanding is \$51,750.00.

On the Redemption Date, the Company will redeem the whole of the Principal Amount of the Convertible Debentures by issuing fully paid and non-assessable common shares (the "**Common Shares**") in the capital of the Company, at a price equal to \$0.15 per Common Share (the "**Redemption**"). The Company is entitled to redeem the Convertible Debentures without any action required on the part of holders (the "**Holders**") of the Convertible Debentures, including the surrender of any certificates. On the Redemption Date, the Company will allot and issue, as fully paid and non-assessable shares of the Company, an aggregate of 345,000 Common Shares to the Holders.

The securities issued pursuant to the Redemption 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.

Russell Breweries Inc. is a 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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