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BY E-LODGE MENT

## **Company Announcement**

**29<sup>th</sup> June 2009**

### **Transfer of Shares**

Liam Mulhall, a director of Brewtopia Limited, is also a director of Palm Leaf Pty Limited ACN 103 789 558 ("Palm Leaf"). Palm Leaf is a shareholder of Brewtopia Limited. Liam Mulhall wishes to announce that he has entered an off-market Share Purchase Agreement between Palm Leaf Pty Limited and A C Labels Pty Limited.

Under the terms of the agreement Palm Leaf Pty Limited has agreed to sell, and A C Labels has agreed to purchase 227,070 fully-paid ordinary shares in the capital of Brewtopia Ltd for a cash consideration of \$22,707.00

Liam wishes to advise that this transaction is for personal reasons and is in no way a reflection of Brewtopia Limited's current position.

Larry Hedges, a director of Brewtopia Limited, is also a director of Sterling Growth Pty Limited ACN 104 670 144 ("Sterling Growth"). Sterling Growth is a shareholder of Brewtopia Limited. Larry Hedges wishes to announce that he has entered an off-market Share Purchase Agreement between Sterling Growth and A C Labels Pty Limited.

Under the terms of the agreement Sterling Growth has agreed to sell, and A C Labels has agreed to purchase 227,070 fully-paid ordinary shares in the capital of Brewtopia Ltd for a cash consideration of \$22,707.00

Larry and Liam both wish to advise that this transaction is for personal reasons and both will continue to be Directors and strong supporters of the business.



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## Market Update

Due to the economic downturn and the costs associated with operating a NSX listed company, the Board of Brewtopia Limited has made a number of strategic decisions.

### 1. Outsourcing of Labeling and Supply

Brewtopia Limited has entered into a contract whereby from 1 July 2009 all of the labeling and logistical supply side of the Brewtopia Limited business including production, labeling and distribution of the companies custom branded beverages will be outsourced in a strategic relationship with AC Labels Pty Ltd. AC Labels will be responsible for fulfillment, inventory and stock management, production and distribution whilst Brewtopia Limited will revert to a sales and marketing company.

Managing Director of Brewtopia Larry Hedges said, “The core strengths of our business are in sales and marketing and this strategic alliance allows the management of Brewtopia to focus on their core strengths”

Managing Director of AC Labels , Mr Frank Garvilos said, “We are exciting about working together with Brewtopia Limited to streamline the production processes, sales and distribution of Brewtopia’s products”.

As part of this strategic relationship AC Labels Pty Ltd is receiving 500,000 Fully Paid Ordinary Shares in Brewtopia Limited in return for certain capital expenditure being undertaken by AC Labels.

In consideration for the issue of these 500,000 Fully Paid Ordinary Shares in Brewtopia Limited, AC Labels Pty Ltd is now responsible for:

- Financial Management and Accounting of business;
- Management of Purchasing;
- Management of Inventory, Warehousing and Control;
- Construction and fit out of new office complex;
- Staffing of labeling applicators

### 2. Extraordinary General Meeting-Voluntary Withdrawal of Listing

In order to reduce costs associated with the business the Directors of Brewtopia Limited have decided to seek shareholder approval for the company to be delisted from NSX. This delisting will require shareholder approval and a notice of meeting will be sent to Shareholders in due course.



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### **3. Standby Debt Facility of \$50,000**

To assist with issues of cash-flow AC Labels Pty Ltd has agreed to provide a stand-by debt facility of \$50,000 to Brewtopia. The facility bears interest on commercial terms and will only be called upon by Brewtopia if required to meet ongoing working capital requirements.

Interested shareholders may contact the company on (02) 8197 1064 for further information.

### **About Brewtopia Limited**

Brewtopia Limited is a distributor of high quality beverages and associated 'time-out' products. Brewtopia allows its customers to build and design their own labels and then delivers these personally labeled products worldwide. Brewtopia was the first ever company to grow by Viral Equity, whereby participants in surveys received a share in the company by way of Equity. Brewtopia listed on the Stock Exchange of Newcastle Limited on 20 February 2006 and has focused on developing the marketing and distribution of its beverages. For additional information please contact the company on +61-2-9808 2637.

### **Brewtopia Limited Forward - Looking Statements**

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including the success of the Company's marketing strategy, and various other uncertainties.