RUSSELL BREWERIES INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Russell Breweries Inc. ("**Russell**")
#202 – 13018 – 80th Avenue
Surrey, British Columbia, V3W 3B2

2. Date of Material Change

May 1, 2009.

3. News Release

A news release disclosing the material change was issued in Vancouver, British Columbia on May 1, 2009.

4. Summary of Material Change

Russell announced further details of a rights offering to holders of common shares of Russell (the "**Rights Offering**").

5.1 Full Description of Material Change

Russell announced that it has received approval from the applicable securities regulatory authorities in Canada and the TSX Venture Exchange for an offering of units (the "**Units**") by way of the Rights Offering.

Russell intends to issue to each shareholder of record in British Columbia, Alberta, Manitoba and Ontario, as of May 13, 2009 (the "**Record Date**"), one right for each common share held by such shareholder. Four rights will entitle the holder to acquire one Unit at a price of $0.15 per Unit for maximum proceeds to Russell of $999,763.05.

Each Unit will be comprised of one common share and one non-transferable share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder to purchase an additional common share at an exercise price of $0.25 per common share for a period of 24 months following the issuance of the Warrants, provided however that the Warrants cannot be exercised within the first 12 months of this 24 month term.

The rights, the common shares underlying the Units and the common shares issuable on the exercise of the Warrants will be listed on the TSX Venture Exchange. The rights will be listed for trading on the TSX Venture Exchange for a period of 21 days from the Record Date, at which time they will be halted from trading.

In connection with the Rights Offering, Russell has entered into a standby guarantee agreement with Bolder Investment Partners, Ltd. ("**Bolder**"), pursuant to which Bolder has agreed to provide a stand-by commitment agreement for the purchase of Units not otherwise purchased under the Rights Offering. As consideration for providing the standby guarantee, Bolder is entitled to receive guarantee warrants from Russell entitling Bolder to acquire up to 1,666,271 units, having the same terms as the Units. The guarantee warrants are non transferable, have an exercise price of $0.15 per Unit and will expire twelve months after issue.

Russell has also entered into a managing dealer agreement with Bolder, pursuant to which Bolder has agreed to act as managing dealer for the purpose of organizing and participating in the solicitation of the exercise of the rights in connection with the Rights Offering. As consideration for acting as managing dealer in the Rights Offering, Russell has agreed to pay to Bolder, upon the closing of the Rights Offering, a work fee of $15,000 plus GST, a managing dealer fee of $50,000 plus GST and a cash fee equal to $0.005 per Unit subscribed for under the Rights Offering, other than for Units subscribed for by directors and officers of Russell.

The estimated net proceeds of the Rights Offering, assuming full exercise of the rights and after deducting expenses of the Rights Offering estimated at $220,000, will be approximately $800,000. The net proceeds to Russell from the Rights Offering will be used the purchase of capital equipment, new product development and marketing and general working capital requirements of Russell.

A rights offering circular containing full details of the terms of the Rights Offering will be mailed to shareholders of Russell on or about May 15, 2009.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officers

For further information about this material change, contact Brian Harris, Chief Executive Officer, at (604) 599-1190.

9. Date of Report

DATED at Vancouver, British Columbia this 1st day of May, 2009.

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Brian Harris,
Chief Executive Officer