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FOR IMMEDIATE RELEASE
KONA BREWING CO. 10th FASTEST GROWING BREWERY IN NATION

Kailua-Kona, Hawaii's Big Island, May 26, 2005 — Kona Brewing Company has been named the 10th fastest growing brewery in the nation by the Brewers Association, a not-for-profit trade and educational association for craft brewers. On May 18, the Brewers Association announced its "Tiger List" for 2004: the top 10 craft brewers ranked by a combination of size and 2004 growth percentage, and Kona Brewing Company took the 10th spot out of 1,400 breweries. Kona Brewing Company recently brewed its 2,000th batch of beer and is celebrating its 10th anniversary this year.

Each year the Brewers Association collects volume sales information from the country's 1,400 craft brewers to assess and track the progress of the craft beer segment. In 2004, the overall segment grew by 7.2 percent and the Tiger List shows why. The 10 brewers on the Tiger List averaged 115,000 barrels (1.5 million cases) in sales during 2004 for a total of 1.15 million barrels (15.7 million cases). The average growth rate for these 10 was 28 percent with total volume growth of 21 percent in aggregate. Size was based on reported 2004 sales barrelage and growth was based on the percent change in sales barrelage from 2003 to 2004.

Kona Brewing Company reported 87 percent growth in 2004, with its production soaring from 16,883 to 31,192 barrels (429,732 cases). Last week, the company brewed its 2,000th batch of beer since the company began in 1994. The pilsner-style beer, Paddlers Pilsner, will be tapped up exclusively at Kona Brewing Company's two restaurants in Kailua-Kona on Hawaii's Big Island and at Koko Marina on Oahu to kick off July's American Beer Month.

"It took us six and a half years to reach the 1,000th-batch of beer milestone," said Kona Brewing Company's president Mattson Davis. "And just a little over three years later, here we are celebrating the 2,000th brew at our Kona brewery! We opened up several new markets in 2004,

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and that increased our production exponentially. Customers throughout the Western United States now can find Kona Brewing Company's product in their stores and restaurants. We were excited to launch these new markets, but we never anticipated the enthusiastic reaction we would receive!"

This year, Kona Brewing Company is celebrating its 10th Anniversary. Currently the largest brewer in the state of Hawaii, Kona Brewing Company is among the top 50 breweries in the country and claims 10 percent of draft sales in Hawaii and 1.5 percent of the state's total beer market. Since 1995 to 2004, Kona Brewing Company has seen a 426 percent increase in beer production and has been the leader in the microbrew category since 1996.

Kona Brewing Company's beer is distributed on tap and in bottles at retail and restaurant locations throughout the Hawaiian Islands, in Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Washington and Japan. In their first year, the Arizona and Nevada markets have done remarkably well. California, particularly the beach towns in Southern California, continues to be a strong market.

In Japan, Kona Brewing Company's sales are up 23 percent this year over last, which was up 65 percent over 2003. "Our sales are primarily in Tokyo and the outlying areas with our best accounts being Hawaiian themed accounts," said Davis. "The Japanese love beer, and they love Hawaii. So what could be a better match than Hawaii's #1 beer?"

The Brewers Association estimates 2004 sales by all craft brewers at 6,590,763 31-gallon barrels up from 6,150,497 barrels in 2003, an increase of 440,266 barrels or 6.0 million case-equivalents. By contrast, spirits volume increased at 3.1 percent for the year and wine volume was up 2.7 percent. The import and mass-market segments of the beer industry rose approximately 1.4 percent and 0.5 percent in volume respectively in 2004.

Kona Brewing Company was founded in 1994 and packaged its first batch of beer in February 1995. The company also operates two restaurants, a brewpub in Kailua-Kona on Hawaii's Big Island and a waterfront restaurant at Koko Marina on Oahu. For more information on Kona Brewing Company call 808-334-BREW or visit www.KonaBrewingCo.com. For more information on the Brewers Association or the U.S. craft beer industry and these estimates, call Paul Gatzka (x122) or Ray Daniels (x125) at 303-447-0816.

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