



## Dry Fly Distilling and Seven Seas Export Announce Strategic Partnership

***November 21, 2018***

Dry Fly Distilling President Don Poffenroth, and Seven Seas Export CEO Sam Cho, today announced the formation of a strategic partnership involving Dry Fly Distilled Spirits. The new partnership will include an expansion of Dry Fly's production capacity from its current 30,000 maximum annual gallons, to 250,000 gallons maximum annual at a new production facility located in central Spokane. Additionally, Dry Fly and Seven Seas will work towards expanding Dry Fly's sales and distribution into major Pacific Rim markets.

"We are extremely excited to announce this new partnership and expansion," said Dry Fly Distilling President Don Poffenroth. "We continue to see the demand for our award-winning spirits increase and we are looking forward to meeting those demands while expanding into new markets. This growth will also create new jobs for Spokane and we couldn't be happier to be give back to this wonderful community."

Dry Fly Distilling, founded in 2007, was Washington States first small distillery. The company has 10 current employees including Terry Nichols, VP of Sales and Marketing, and Patrick Donovan, VP of Operations. Dry Fly currently sells product in 20 states and distributes product internationally. The product line features 2 clear products, Dry Fly Vodka and Gin, and 8 Different aged products including Dry Fly Wheat Whiskey, Triticale Whiskey, and Bourbon.

Seven Seas Export, LLC was founded in 2017 after founder Sam Cho saw an opportunity to help alleviate the egg crisis in South Korea in the midst of the worst Avian Influenza (Bird Flu) outbreak in the country's history. The shortage stemming from reduced chicken flocks caused domestic egg prices to nearly triple making U.S. egg products competitive for the first time. Additionally, the Korean government took the unprecedented step of temporarily reducing import tariffs to 0% in response to the egg shortage, which further enabled egg products to be exported to South Korea. Since its founding, Seven Seas Export has shipped over 2 million pounds of egg products to South Korea. Sam is a Commissioner for the Washington State Commission on Asian Pacific American Affairs, and active in the Korean American Coalition. He is a past Obama Administration appointee with the US GSA.

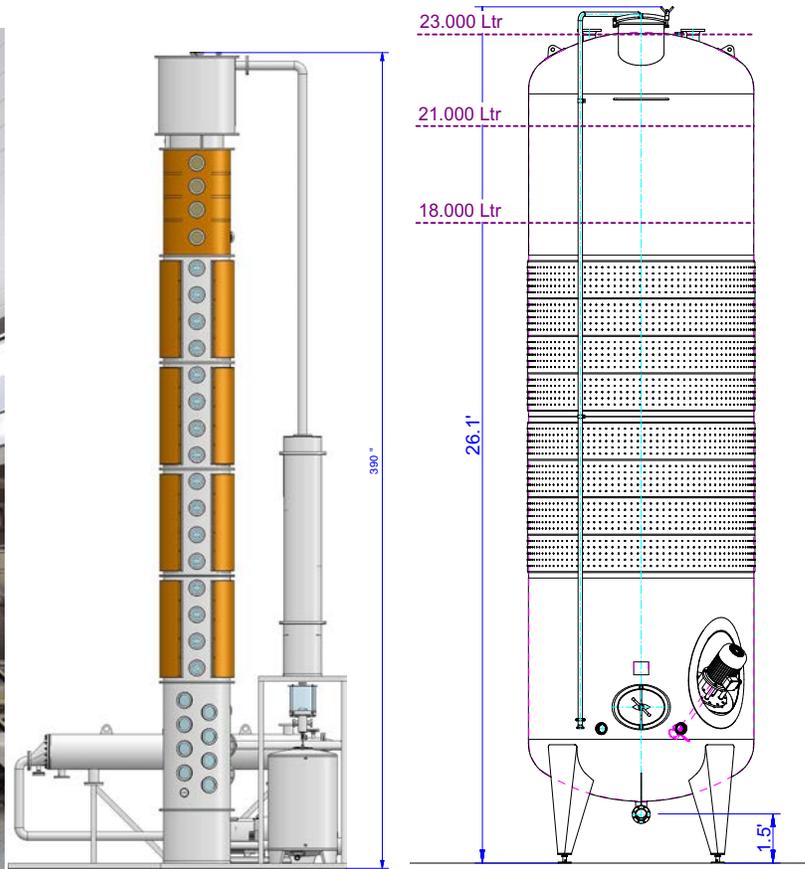
"We are thrilled to be throwing our hat into the spirits ring," said Seven Seas Export CEO Sam Cho. "The spirits of Dry Fly Distilling are exceptional and to be able to play a part in having them discovered in major Pacific Rim markets is an exciting proposition. We are looking forward to a long and successful partnership."

The new Dry Fly Production Facility, Project Lilac, will be located in the newly to be announced development NoDo at Normandie. Dry Fly will occupy and partner in the ownership of the 24,000 square foot historic Fleet Services building. The Lilac Project will be part of a 5.2-acre mixed use Urban Village which will include medium density housing, office and retail uses. Christian Carl of Germany will provide the bulk of the distilling equipment including 3 new stills with a 12-hour shift capacity of 5,000 gallons and 25 barrels of newly produced whiskey weekly. This set of equipment will mark Christian Carl's 150<sup>th</sup> year of distillation equipment production and will feature the best of their historical knowledge blended with current technology. Many other local, regional, and nation vendors will assist with elements of the project as well. Work is expected to begin in late 2018 and be completed by January 2020. Estimated project cost is \$5M inclusive of the site development.

The initial Asian sales project into South Korea, via the newly formed Dry Fly Korea LLC, will include 4 products – Vodka, Gin, Wheat Whiskey and Bourbon. The existing plant will begin producing orders for South Korea in November 2018, with a move to weekly container shipments when the new plant come on line in January 2020.

[www.dryflydistilling.com](http://www.dryflydistilling.com) – 509-489-2112

[www.sevensesexport.com](http://www.sevensesexport.com)



*Drawings of Equipment designed specifically for Dry Fly Distilling by Christian Carl.*



Site located at the corner of Sinto and Normandie, Spokane Washington.