

May 8, 2006

Clearly Canadian Issues Letter from the President

Shareholder Update Recaps Significant Recent Corporate Developments

As the President of Clearly Canadian Beverage Corporation (OTCBB: CCBEF), I would like to thank you for your interest and support. On behalf of all our employees and management team, I can tell you that we are enthusiastic about the exciting developments at Clearly Canadian so far in 2006.

The excitement has begun for the new Clearly Canadian. We have commenced the extensive relaunch of our core brand Clearly Canadian, sparkling, flavoured waters. This relaunch consists of refreshing new packaging (see attached sheet) that trades on the heritage of this longstanding brand, original flavours being marketed with the motto "Back to the Flavour", and two new zero calorie/zero carbohydrate flavours. The relaunch will be supported by exciting new marketing and advertising campaigns designed by The Brainstorm Group, a fantastic advertising team with high profile beverage industry client's such as Mike's Hard Lemonade and Molson Canadian.

I am pleased to announce that the month of April was the best year over year revenue improvement month in five years, with a gain of over 33%. This puts year to date revenues well ahead of 2005. Our corporate restructuring plan, designed to support the renaissance of Clearly Canadian is well under way. During the past year, approximately \$8 million has come into the Company through equity placements and debt conversion. This has increased our working capital and greatly improved our ability to affect top line growth. We have expanded our distribution system, having signed a systemwide agreement with the Dr. Pepper/Seven Up Bottling Group, Inc., which provides Clearly Canadian with much greater sales, marketing and promotional opportunities throughout the U.S. MidWest, U.S. South and U.S. West regions. We have also brought new key personnel to the Company with the appointment of Leo Novosel, a former Snapple Zone Vice President, as Director of Sales, and Sonia Manson, a former Brand Manager for Canada's leading bakery, as our new Marketing Manager.

Another significant step forward for the Company is the recent formation of our Clearly Canadian Advisory Board which we will use for expert and experienced advice on all aspect of our business. We are honored that prominent investment newsletter editor Mr. James Dines of the "The Dines Letter" has accepted an invitation to chair the Advisory Board. Mr. Dines has been a strong proponent of the benefits of natural, healthy consumer products, especially water and has stated "I believe that Clearly Canadian's plans to introduce exciting new water based products in 2006 and to continue to increase the availability of its products will be the catalyst to increased shareholder value going forward." Joining Mr. Dines on the Advisory Board is Mr. Brian O'Byrne, former president of Yoohoo/ Orangina Beverage Company. Mr. O'Byrne has many years of experience in running profitable beverage companies and will be a tremendous asset to us.

I believe that Clearly Canadian is poised to reestablish itself in the alternative beverage category. And, our timing could not be better. This highgrowth market segment, with such names as Monster, Red Bull and Vitamin Water has broken out into a \$14 Billion dollar industry and all indications are for continued exponential growth.

Clearly Canadian Beverage Corporation is set to capitalize on this incredible market opportunity with greater distribution, exciting new products, a strong balance sheet, lower fixed costs, and a strong new management team. We are committed to increasing market share for our products, building brand awareness, increasing profitability and growing shareholder value. I encourage you to call our investor relations at 18009830993 to get the entire story and to be placed on our email or regular mail update list. I am inspired by the opportunities ahead, and look forward to building a strong foundation to create growth for this Company and ultimately shareholder value for you.

Regards,



Brent Lokash
President

Forward Looking Statements

Statements in this letter that are not historical facts are forwardlooking statements that are subject to risks and uncertainties. Words such as “expects”, “intends”, “plans”, “may”, “could”, “should”, “anticipates”, “likely”, “believes”, “estimates”, “potential”, “predicts”, “continue” and words of similar import also identify forwardlooking statements. Forwardlooking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company’s ability to raise additional debt and/or equity financing to fund operations and working capital requirements, the Company’s analysis of its current and future sales and sales trends, its product distribution systems, as well as anticipated changes thereto, the Company’s expectations regarding the effects of its restructuring efforts and changes to its product distribution, promotional and marketing activities and the potential benefits of such changes, efforts and activities on its results of operations in future periods. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, changing beverage consumption trends of consumers, the Company’s ability to generate sufficient cash flows to support general operating activities and capital expansion plans, competition, pricing and availability of raw materials, the Company’s ability to maintain the current and future retail listings for its beverage products and to maintain favorable supply, production and distribution arrangements, laws and regulations and changes thereto that may affect the way the Company’s products are manufactured, distributed and sold and other factors beyond the reasonable control of the Company. Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company with the U.S. Securities and Exchange Commission and with the British Columbia and Ontario Securities Commissions.

About Clearly Canadian

Based in Vancouver, B.C., Clearly Canadian Beverage Corporation markets premium alternative beverages and products, including Clearly Canadian® sparkling flavoured water and Clearly Canadian O+2® oxygen enhanced water beverage which are distributed in the United States, Canada and various other countries. Since its inception, the Clearly Canadian brand has sold over 90 million cases equating to over 2 billion bottles worldwide. Additional information about Clearly Canadian may be obtained at www.clearly.ca.

CLEARLY CANADIAN BEVERAGE CORPORATION

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