



**Media:**

Susan Tellem  
Tellem Worldwide  
(310) 479-6111 ext. 16  
[stellem@tellem.com](mailto:stellem@tellem.com)

**Investors:**

William Marshall  
Javo Beverage Company, Inc.  
(760) 560-5286 ext. 102  
[wmarshall@javobeverage.com](mailto:wmarshall@javobeverage.com)

**Javo® Beverage Company Eliminates Current and Long Term Debt**

*\$ 17.4 Million in Principal and Accrued Interest Converted in Exchange Offering*

**San Diego – August 8, 2006 – Javo Beverage Company, Inc. (OTCBB: JAVO)** – a leading provider of coffee and tea-based beverages to the foodservice industry -- today announced that, effective as of June 30, 2006, certain holders of the Company's outstanding Promissory Notes had agreed to exchange the rights for Series B Preferred Stock. The exchange offer will remove \$ 13,412,500 of original principal and \$ 3,946,299 of accrued interest from the Company's liabilities and will be non-dilutive to common stock shareholders.

"This is an important step forward for Javo," said Cody C. Ashwell, CEO and Chairman of Javo, "both in terms what it accomplishes for the Company's financial health and the confidence that has been expressed by our long term debt holders.

"The exchange immediately improves the Company's balance sheet, creates a positive net worth and provides important financial flexibility that will be employed to continue expanding our customer base in the foodservice industry," added Ashwell. Related to the transaction, the Company noted that future earnings statements will be enhanced by a reduction in interest expenses and non-cash debt discount amortization and will accelerate the path to positive earnings per share.

**About Javo® Beverage Company, Inc.**

Based in Vista, California, Javo Beverage Company (OTC Bulletin Board: JAVO), is the innovation leader in the manufacture of coffee and tea-based dispensed beverages, drink mixes and flavor systems. The Company has successfully commercialized a proprietary brewing technology that yields fresh brewed coffees and teas that are flavorful, concentrated and stable. As a result, they have broad applications in the foodservice, food manufacturing and beverage industries. For foodservice operators, Javo makes it possible to serve great tasting hot coffees and cold specialty coffee beverages from convenient dispenser-based systems. Javo also assists food and beverage processors seeking authentic and robust coffee and tea flavors with the development and supply of customized ingredients for their packaged foods and ready-to-drink beverages. Through its selling, service and distribution operations, Javo supplies a growing list of national and international foodservice operations, specialty coffee retailers, restaurant chains and food manufacturers. More information about Javo Beverage Company is available at [www.javobeverage.com](http://www.javobeverage.com).

---

---

This release contains forward-looking statements made by or on behalf of Javo Beverage Company, Inc. All statements, which address operating performance that the Company expects will occur in the future, including statements relating to volume growth, share of sales, or statements expressing general optimism about future operating results, are forward-looking statements. These forward-looking statements are based on management's current views and we cannot assure that anticipated results will be achieved.