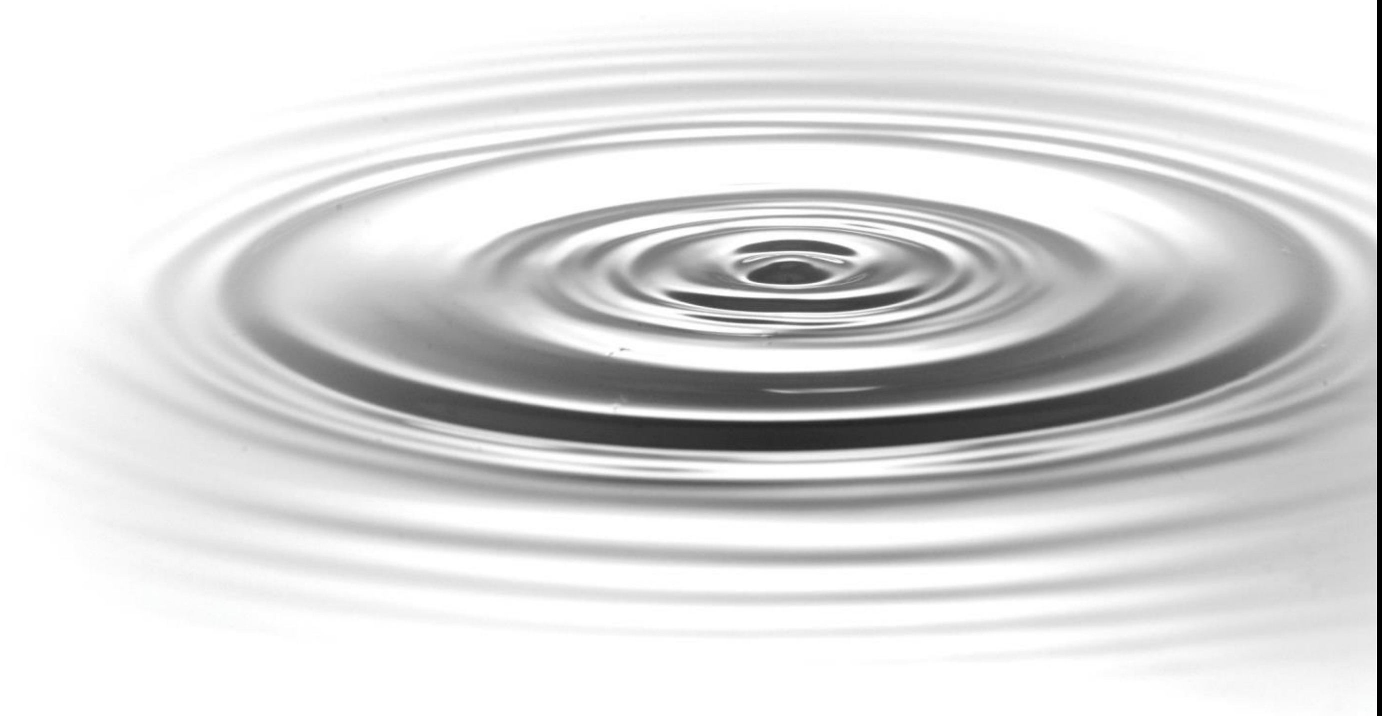
DUXTON
WATER



DUXTONWATER LTD

October 2018

1 for 2 NON-RENOUNCEABLE RIGHTS ISSUE

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DUXTON WATER

Duxton Water is Australia's only listed pure water exposure

KEY INFORMATION (PRE-ENTITLEMENT OFFER)	
Current share price (as at 16 OCT 2018)	$1.35 per share
Current shares on issue	90,280,281
Current Market Capitalisation	$121.9 million
ASX Code	D2O
Investment Universe*	Australian Water Entitlements
Investment Manager	Duxton Capital (Australia) Pty Ltd

FEE STRUCTURE

Duxton Water has no staff itself; management is outsourced to Duxton Capital (Australia) with a fee structure that is highly competitive:

- The Investment Manager receives a management fee of 0.85% p.a. of the net asset value (NAV) of the Company.
- A performance fee (subject to a high watermark) of 5% p.a. is payable on annual returns above 8%, and 10% p.a. on annual returns above 12%.
- The Investment Manager is also paid for reimbursable costs.

KEY METRICS	30 SEPT 2018
Total Megalitres ("ML") owned	52,523 ML
% of entitlements leased	45%
Net Asset Value	$123.2 million
Net Asset Value per share	$1.36 per share
2018 distribution yield#	3.63% (4.68% incl. franking)
Gearing	< 30%

BOARD MEMBERS	
Ed Peter	Non-Executive Chairman
Stephen Duerden	Non-Executive Director
Dirk Wiedmann	Independent Non-Executive Director
Peter Michell	Independent Non-Executive Director
Dennis Mutton	Independent Non-Executive Director

MAJOR SHAREHOLDERS (30 SEPT)	
Duxton Vineyards	38.12%

All dollar values are in AUD unless otherwise specifically stated.
 # FY18 3.63% dividend yield at share price of $1.35.

**Duxton Water may hold small land holdings from time to time when the purchase of land is required for the purchase of the Water Entitlement associated with it.*
*** Net Asset Value is adjusted for fair market value of water entitlements*

ASX : D2O

- Duxton Water Limited ("Duxton Water" or the "Company") is the only pure water exposure on the ASX, giving investors the opportunity to invest in a large and highly diversified portfolio of Australian water entitlements. The Company sees strong opportunities for future growth in the maturing Australian water market, with the structural shift in Australian agriculture towards permanent crops supporting price appreciation of water entitlements.
- **The Company is looking to continue to grow and acquire water assets ahead of forecast demand, funded partly by an accelerated non-renounceable 1 for 2 rights issue to eligible shareholders.** Refer following slides for detail.
- Water underpins the Australian agricultural sector and the Australian water market is the most sophisticated in the world, consisting of trade in perpetual water entitlements (also known as water licences or water rights) and the annual water allocations that attach to these entitlements. Total entitlement and allocation trading across the Southern connected Murray Darling Basin was estimated at $631 million in FY18[1].
- Duxton generates a combination of uncorrelated capital returns through the appreciation of its portfolio of entitlements and income through:
  - entitlements on long term lease (45% of portfolio);
  - trading the annual allocations attaching to its entitlements (55% of portfolio); and
  - trading purchased allocations
- Since its IPO in September 2016, Duxton Water has:
  - generated total shareholder returns of 32.6%[2];
  - increased NAV from $1.07 to $1.36[3];
  - paid $5.46 million in total dividends; and
  - invested over $115.6 million in Australian water entitlements (cost), now valued at $149.4 million (30 September 2018)

All dollar values are in AUD unless otherwise specifically stated.

1 Aither Pty Ltd

2 Inclusive of dividends and franking credits, based on share price 30 September 2018 $1.365, returns are 31.24% based on share price 16 October 2018 of $1.35

3 As at 30 September 2018

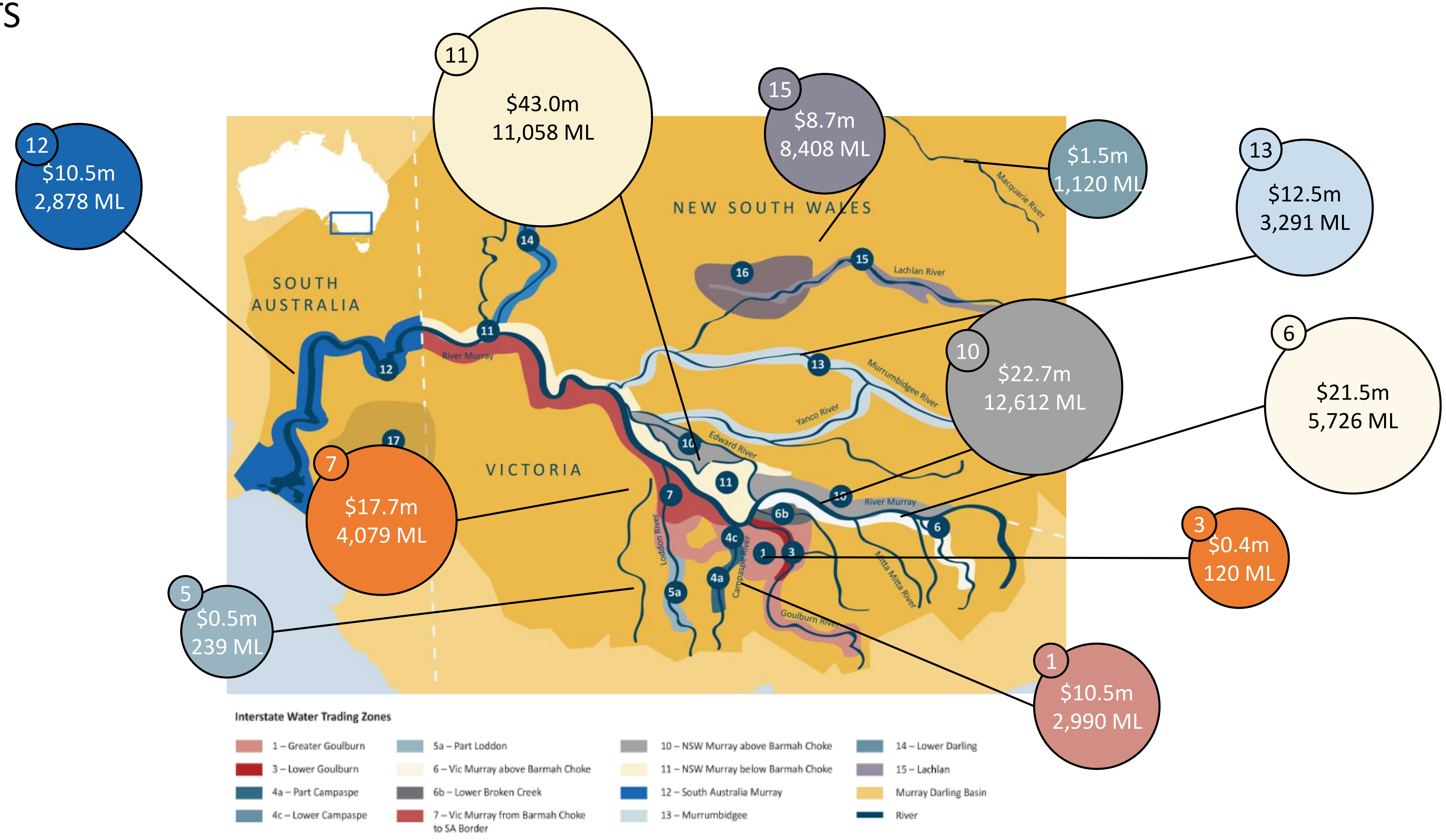
1. **Australia's only pure listed water play with a strong track record**
2. **Strong underlying trends supporting future growth in water prices**
3. **Multiple sources of return**
4. **A unique asset class with uncorrelated returns**
5. **Growth opportunities in a large market with largely fixed costs**
6. **Experienced management team and investment in resources for global growth**

DUXTON WATER

PRO FORMA PORTFOLIO OF ENTITLEMENTS AS AT 30 SEPTEMBER 2018

EXCLUDING CONTRACTED ASSETS

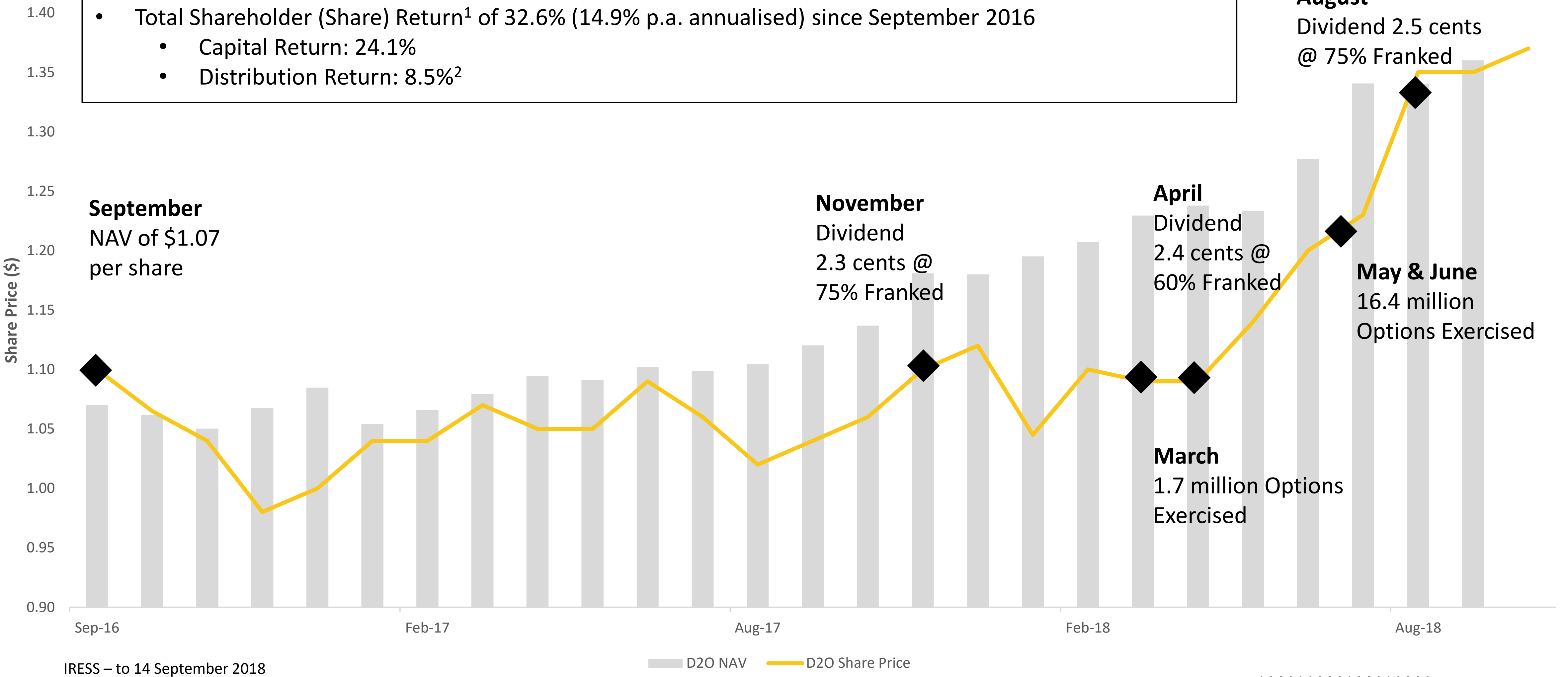
- Duxton Water owns and manages $161.5 million in water assets including entitlements and allocation (excluding contracted).
- A further $25.1 million (10,258ML) of water entitlements are within the pipeline for further acquisition, as 30 September 2018.
- The water entitlements are well diversified across a number of metrics;
  - regions
  - security levels
  - crops
- Duxton Water acts as a proxy to Australian agriculture with its water assets providing solutions to a broad range of irrigators throughout the region.



All dollar values are in AUD unless otherwise specifically stated.
National Water Commission, 2011

SHARE PRICE AND NAV PER SHARE SINCE IPO

- Total Shareholder (Share) Return[1] of 32.6% (14.9% p.a. annualised) since September 2016
  - Capital Return: 24.1%
  - Distribution Return: 8.5%[2]



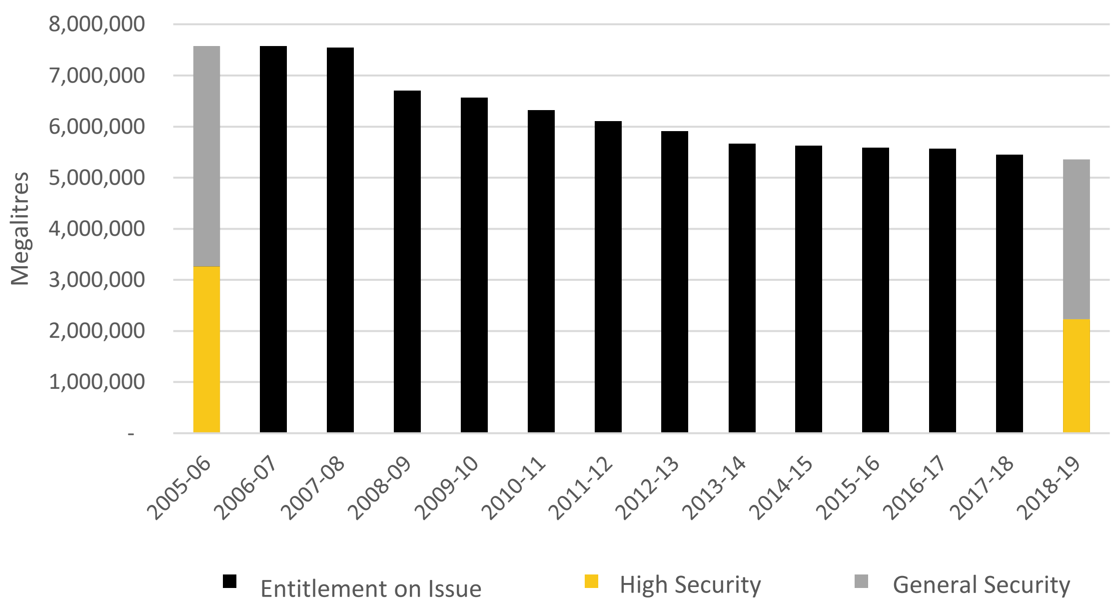
IRESS – to 14 September 2018

[1]Inclusive of dividends and franking credits, based on share price 30 September 2018 $1.365, total shareholder return is 31.24% based on 16 October 2018 share price of $1.35

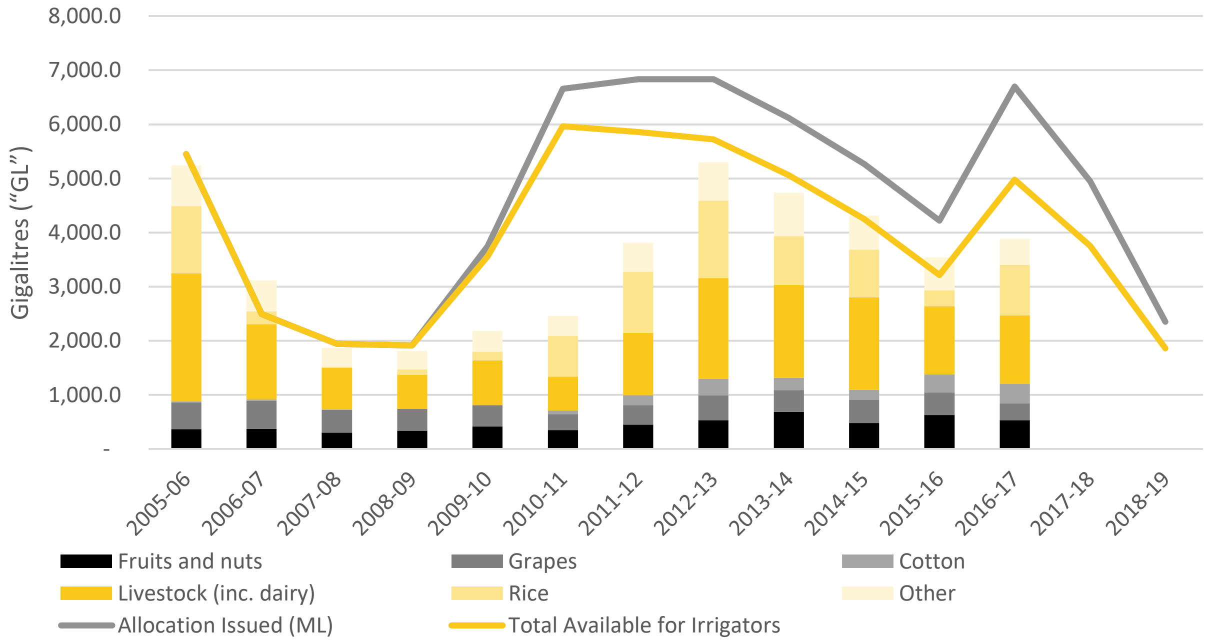
[2]Inclusive of franking credits.

Permanent water supply has been declining, while demand continues to increase…

SMDB ENTITLEMENTS ON ISSUE FOR CONSUMPTIVE USE



ALLOCATION AND USAGE BY INDUSTRY IN SMDB REGION



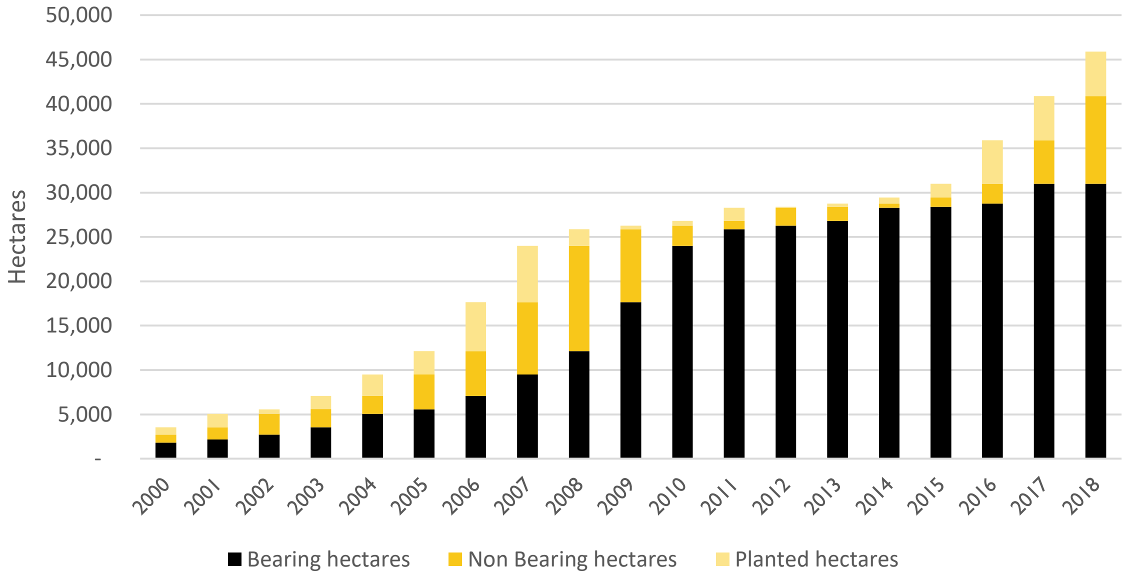
- Permanent supply is fixed within the “cap and trade” model.
- Supply available for consumptive use has decreased with the ongoing Government buy-back program to support environmental requirements. To date the Government has bought back approximately 30% of entitlements on issue.

- Demand (usage) trends are shifting towards more permanent crops (grapes, fruit and nuts).
- Such crops require more water as they mature but are higher value and can therefore afford to pay more for water. Improved irrigator water efficiency is increasing the marginal returns achieved on water assets.
- This shift to higher margin, permanent plantings, together with the intensification of agriculture is steadily driving up entitlement values.

All dollar values are in AUD unless otherwise specifically stated.

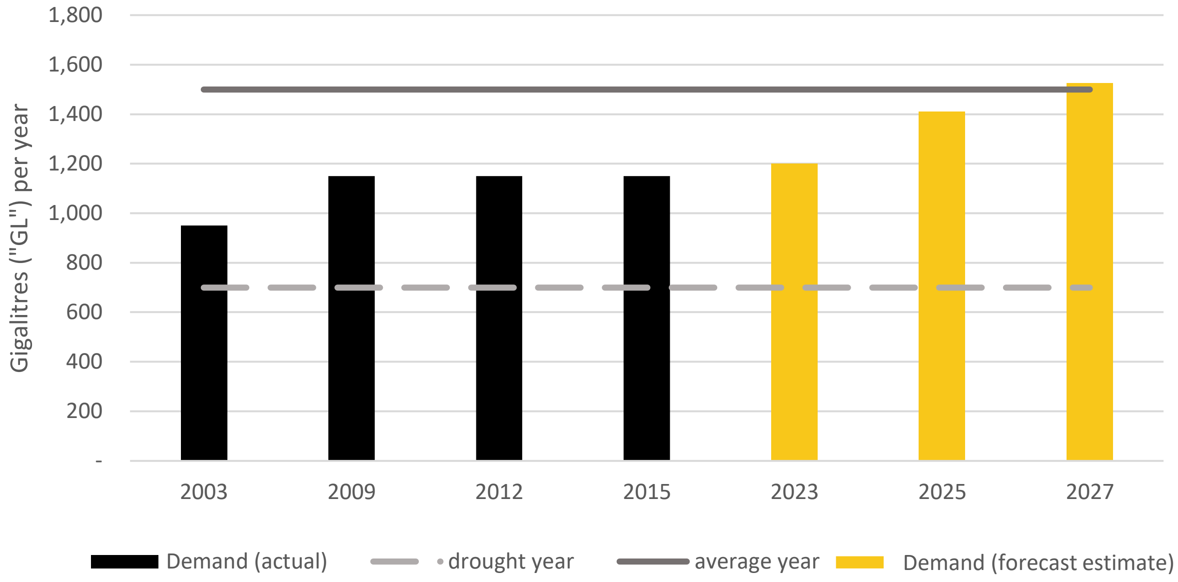
Source: Department of the Environment and Energy, Aither, ABS, and VIC state government Understanding Future Water Availability in Northern Victoria Working Paper (factsheet)

ALMOND PLANTING AND WATER DEMAND



- Australian bearing almond orchard size has grown 14.9x since 2000, with over 15,000ha planted between 2016 and 2018 alone.
- At planting stage, trees demand 3ML/ha, and build up to 14ML/ha at maturity (6+ years).
- At full maturity, this equates ~8% of total entitlements on issue and ~28.2% of High Security entitlements available to Irrigators; this could represent a higher percentage depending on annual allocation volumes.

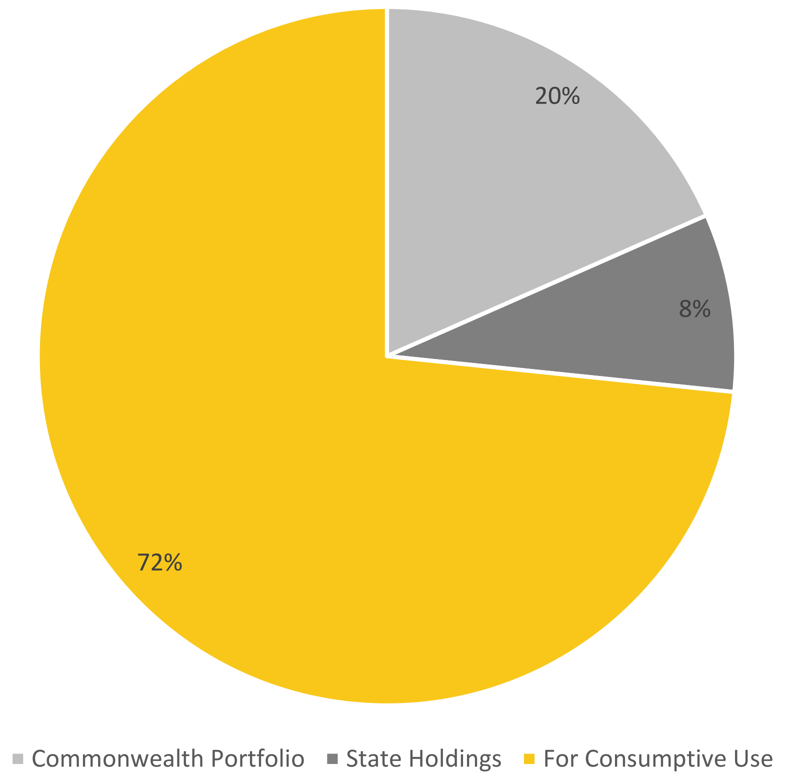
HORTICULTURE DEMAND AND CONSUMPTIVE WATER AVAILABILITY DOWNSTREAM OF BARMAH CHOKE



- The two lines display the level of consumptive water available for use in average (top) and drought (bottom) years.
- Water demand from expanded permanent plantings is expected to increase annual horticulture irrigation demand to exceed the expected future consumptive water availability in an average year.
- These assumptions are approximate and will vary year-on-year depending on climatic variations, crop prices and other factors.

http://www.theland.com.au/story/5226905/favourable-projections-for-australian-cotton/?cs=4936
Sources: Australian Almonds, Orchard Size Statistics, Victorian Water Register

OWNERSHIP OF ENTITLEMENTS IN SMDB REGION



- Duxton Water has focused entitlement acquisition in the Southern Murray Darling Basin region of Australia. The MDB has a total of **7,549,881 ML** of water entitlements on issue within its interconnected water systems, with an estimated value of **A$20.2 billion**[1].
- As at 30 June 2018, 20% of this volume (1.5m ML) is held within the Commonwealth Environmental Water Holdings ("CEWH") and is unavailable for irrigative use. A further 8% is held by the respective States.
- **This leaves 72% of the system available to investors and producers**; at present roughly 4%-5% of entitlement holders are 'investor type' and the remainder are primary producers[2].
- **Duxton's position at 30 September, excluding assets in the pipeline for acquisition, represents an estimated ~1% of the entitlements available for consumptive use.**
- The Company is scalable beyond its current ~1% market share, with an active water market, minimal fixed costs, and the ability to expand the portfolio beyond the Southern Murray Darling Basin into other Australia water regions.

[1] Aither – Water Markets Report 2017-18 review and 2018-19 outlook
[2] Commonwealth Environmental Water Holding, The Living Murray, New South Wales Office of Environment and Heritage, as at 18 February 2018
3https://www.mdba.gov.au/managing-water/environmental-water/progress-water-recovery
4 https://www.smh.com.au/environment/at-great-risk-13-billion-murraydarling-plan-headed-for-failure-report-says-20171129-gzv344.html

TRANSACTION OVERVIEW	
OFFER STRUCTURE	A 1 for 2 accelerated pro-rata non-renounceable entitlement offer to raise up to approximately $58.7 million by the issue of up to approximately 45.1 million new shares (“New Shares”) at the Offer Price (the “Entitlement Offer”). The Offer has two components: ▪ An institutional entitlement offer, where offers have been made to qualifying institutional Shareholders to apply for their pro-rata entitlement (“Institutional Entitlement Offer”); and ▪ A retail offer, where offers will be made to qualifying shareholders to apply for their pro-rata entitlement (“Retail Entitlement Offer”)
OFFER PRICE	Entitlement Offer will be conducted at $1.30 per New Share. ▪ 3.70% discount to last close price of $1.35 on Tuesday, 16th October 2018 ▪ 4.41% discount to NAV at 30 September 2018 (of $1.36 per share) ▪ 2.50% discount to TERP[1] of $1.33
OFFER SIZE	• Capped total issue of approximately 45.1 million New Shares • Maximum raise of $58.7 million
MAJOR SHAREHOLDER	Duxton Vineyards Pty Ltd (“Duxton Vineyards”), does not intend to take up its entitlement as part of the Entitlement Offer and the Company will seek to place some or all of this shortfall with new investors (“Institutional Shortfall Offer”).
INSTITUTIONAL ENTITLEMENT OFFER	Approximately $26.5 million Institutional Entitlement Offer to existing institutional shareholders ▪ Duxton Vineyards will offer its entitlement shares to new shareholders
RETAIL ENTITLEMENT OFFER	Approximately $32.0 million Retail Entitlement Offer to existing eligible retail shareholders • The Retail Entitlement Offer will open 9.00am (Sydney time) on Wednesday, 24 October 2018 and close at 5.00pm (Sydney time) on Friday, 16 November 2018 • Eligible retail shareholders may also apply for additional New Shares beyond their entitlement, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet.
ELIGIBILITY	• Shareholders on record date of Friday 19 October 2018 will be eligible to participate, subject to other eligibility conditions (refer to Offer Booklet for details)
UNDERWRITING	• The Entitlement Offer is not underwritten

All dollar values are in AUD unless otherwise specifically stated.

1. Theoretical ex-rights price

CAPITAL STRUCTURE	
CURRENTLY ON ISSUE	90,280,281 Ordinary Shares
MAXIMUM TOTAL RIGHTS ISSUE SHARES	45,140,141 New Shares
POST CAPITAL RAISE MAXIMUM SHARES ON ISSUE	135,420,422 Ordinary Shares

USE OF FUNDS

Funds raised will be used by Duxton Water to finalise already contracted assets in the pipeline, continue to acquire water entitlement and allocation assets in the Australian water market and cover costs associated with the entitlement offer. Excess funds, if any, will be used to repay debt (~$30 million), and general working capital requirements.

All dollar values are in AUD unless otherwise specifically stated.

PERIOD	Note	As at 30 June 2018	As at 30 September 2018	Impact of the Offer - Pro Forma 30/09/2018[1]
Assets				
Total Cash and cash equivalents	1	1,354,112	1,679,000	29,088,298
Total trade and other receivables	2	481,931	3,336,994	3,336,994
Total Other current assets	3	1,841	168,418	168,418
Total Intangible assets	4	122,123,173	161,480,836	161,480,836
Deferred tax assets		(6,971,464)	(10,160,644)	(10,160,644)
Total Assets		**116,989,593**	**156,504,603**	**183,913,901**
Liabilities				
NAB Facility		1,500,000	29,833,427	-
Total Trade and other payables (excl. facility)	5	1,165,744	3,850,058	3,747,961
Total Liabilities		**2,665,744**	**33,683,484**	**3,747,961**
Net Assets		**114,323,849**	**122,821,119**	**180,165,940**
Total Equity		**114,323,849**	**122,821,119**	**180,165,940**
Shares on issue		**89,529,624**	**90,280,281**	**135,420,422**

1. *Assumes maximum subscription level including placement of any shortfall. Total cash, cash equivalent and the debt facility will vary depending on the final outcome of the Offer.*

Refer to Offer Booklet for notes to the Pro Forma.

	As at 30 June 2018	As at 30 September 2018	Impact of the Offer - Pro Forma 30/09/2018[1]
Note 1			
Total Cash and cash equivalents			
Cash at Bank	1,354,112	1,679,000	29,088,298
	1,354,112	**1,679,000**	**29,088,298**
Note 2			
Total Trade and other receivables			
Trade debtors	70,141	1,810,721	1,810,721
Deposits paid	411,791	1,526,272	1,526,272
	481,931	**3,336,994**	**3,336,994**
Note 3			
Other current expenses			
Prepaid expenses	1,841	168,418	168,418
	1,841	**168,418**	**168,418**

1. Assumes maximum subscription level including placement of any shortfall. Total cash, cash equivalent and the debt facility will vary depending on the final outcome of the Offer.
Refer to Offer Booklet for notes to the Pro Forma.

	As at 30 June 2018	As at 30 September 2018	Impact of the Offer - Pro Forma 30/09/2018[1]
Note 4			
Total intangible assets			
Water licences at cost	95,244,200	115,560,538	115,560,538
Water licences – revaluation	24,627,431	33,885,995	33,885,995
Temporary water allocation	2,649,965	11,159,769	11,159,769
Temporary water allocation – revaluation	(398,423)	874,534	874,534
	122,123,173	**161,480,836**	**161,480,836**
Note 5			
Trade and other payables (excl. facility)			
Current expenses	10,806	886	886
Accrued expenses	613,126	2,241,736	2,095,884
Trade creditors	(134,834)	(75,248)	(75,248)
Unearned revenue	706,662	706,662	706,662
GST	(55,975)	(72,306)	(72,306)
Tax payable	25,959	1,048,348	1,092,103
	1,165,744	**3,850,58**	**3,747,961**

1. Assumes maximum subscription level including placement of any shortfall. Total cash, cash equivalent and the debt facility will vary depending on the final outcome of the Offer.
Refer to Offer Booklet for notes to the Pro Forma.

EVENT	DATE (2018)
Announcement of accelerated non-renounceable entitlement offer	Wednesday 17 October
Trading halt announced and Company conducts institutional offer	Wednesday 17 October – Thursday 18 October
Announcement of results of institutional offer **Trading halt lifted** **Trading resumes on an ex-entitlement basis**	Friday 19 October
Record date to identify security holders entitled to participate	Friday 19 October
Issue and normal trading of New Shares issued under institutional offer	Tuesday 23 October
Last date for retail offer to open	Wednesday 24 October
Retail offer closes	Friday 16 November
Allotment of New Shares under retail offer	Friday 23 November
New Shares issued under retail offer	Monday 26 November
Holding statements sent to retail holders	Tuesday 27 November

All dates are indicative and are subject to change without notice.

1. **Likely improved liquidity of stock and increased market capitalisation**
2. **Further strengthened Balance Sheet with additional equity and improved leverage ratio**
3. **Continuance of bi-annual dividend payment, with franking credits**
4. **Long-term ability to further diversify the portfolio**
5. **Potential reduction in costs relative to revenue achieved with greater scale**
6. **Increased Company product offering to water market participants**

DUXTON WATER

EVENT	COMMENTARY
MARKET & OPERATIONAL	
Government water buy-back programs Trading resumes on an ex-entitlement basis	The Commonwealth Government Murray-Darling Basin (MDB) Plan provides for an AUD $13 billion water buy-back program in order to address the environmental sustainability of the MDB. This buy-back program involves the Commonwealth Government purchasing Water Entitlements directly and indirectly from willing sellers in the MDB and directing this purchased water to environmental flows. Indirect purchases occurred through the On-Farm Irrigation Efficiency Program which saw water savings through infrastructure improvements returned to the environment. As at 31 July 2018, 2,117.5 gigalitres of Water Entitlements had been purchased as part of the buy-back plan with 653 gigalitres still available to be purchased. Although the majority of buy-backs are complete, any further buy-backs by the Commonwealth Government (including as a result of any change to the MDB Plan) will result in less Water Entitlements on issue, increasing the scarcity of such assets and impacting their price. The participation of the Commonwealth Government in the market may also distort market fundamentals temporarily and reduce opportunities for the Company to acquire Water Entitlements at acceptable values.
Diversification	The Company's key strategy in active investment is diversification to mitigate risk. However, whilst the Company will target portfolio diversification across security classes, Water Entitlement types and geographical regions, due to the timing of deployment of funds, the Company may be concentrated in certain Water Entitlements. Consequently, a lack of diversification during periods when capital is yet to be invested may adversely impact the performance of the Company.
Annual water allocation risk	Water Allocations are determined by a relevant water authority. As a result of water availability in any given region and for any given security class, annual Water Allocations may be negligible or zero. This would impact the Company's ability to derive income from unleased Water Entitlements.
Weather	The market price of Water Entitlements and Water Allocations is subject to market fluctuations due to weather. For example too much rain and flooding would significantly increase the supply of water, driving down prices. As such, negative price movements may adversely impact the ability to generate revenue from new leases for the Company's Water Entitlement portfolio or the portfolio value itself.

EVENT	COMMENTARY
Market size and liquidity	The turnover of Australian Water Entitlements is relatively small when compared to the aggregate Australian Water Entitlement market, with an average annual turnover of approximately 213 gigalitres (approximately 3% of the entire Entitlements market) valued close to $442 million, during the 2017-18 season. Average annual turnover in Water Allocations over the same period was 1,851 gigalitres. With limited market activity, the small market size poses a liquidity risk for the Company, creating pricing and capacity considerations.
Other market risks	Macroeconomic risks such as movements in interest rates, commodities prices and inflation have the potential to adversely impact on the value of assets. Significant fluctuations in macroeconomic factors may cause volatility in the value of Water Entitlements and Water Allocations resulting in poor returns.
Leverage risk	The Company has the right to employ the use of leverage in order to manage short term cash flow. This has the ability to magnify losses to the Water Entitlements portfolio. With the use of debt, the Company is exposed to changes in interest rates. An increase in interest rates if debt were utilised could have an adverse effect on future financial performance.
Risk of Shares trading below NAV	The Shares of the Company may trade on the ASX at a discount to the NAV of the Water Entitlements portfolio on a per Share basis and the performance of the Shares may not be correlated with the performance of Water Entitlements portfolio.
Risk of being unable to deploy funds	The ability of the Company to generate attractive yields for investors is dependent on its capacity to deploy funds in the water market. For example, if at a certain point in time the Investment Manager did not believe that the purchase of any Water Entitlements in the market would provide attractive yields to investors, the Investment Manager would not invest.

EVENT	COMMENTARY
Key lessee, other lessee and contractual risk	From Completion of the Offer until further leases are entered into, the Company will have approximately 78% of its lease revenue being paid by one lessee, Duxton Viticulture. If that lessee defaults, this could adversely affect the revenue generated by the Company. The Company also anticipates that many of its Water Entitlements will be subject to long-term lease arrangements. If the leaseholder were to default on its obligations, this could result in a loss of revenue for the Company. The financial performance of the Company is subject to the Company and its counterparties continuing to perform their respective obligations under various contracts. If the Company or one of the counterparties fails to adequately perform their contractual obligations, this may result in a loss of earnings, termination of the particular contract, disputes and or litigation. For example, the Company anticipates many of its Water Entitlements will be subject to long-term lease arrangements. If the leaseholder were to default on their obligations, this could result in a loss of revenue for the Company.
Decline in water prices	Water Entitlements have historically generated capital growth. However, past performance of Water Entitlements is not a reliable indicator of the future performance of Water Entitlements. As such, there exists the risk that Water Entitlements may reduce in value over the investment period.

EVENT	COMMENTARY
RELATED PARTY	
Management of conflicts of interest	The Company has in place all appropriate and necessary policies and procedures regarding insider trading, conflicts of interest, and related parties. The Company continues to rely on Independent Directors and legal counsel and governance advice (Company Secretary) to ensure compliance with ASX regulations.
Reliance on related parties	As the portfolio continues to grow and be further diversified, any reliance on related parties in reduced. The intention is to grow the number of lessees as new capital is introduced.
REGULATORY	
Government policies and regulations, and ASX/ASIC relation compliance	The Company continues to rely on legal counsel and governance advice (Company Secretary) to ensure compliance with ASX and ASIC regulations. The Company is proactive in monitoring changes in Government policies and regulations.
Legal, tax and other regulatory risks	Regulatory change implemented through the Murray-Darling Basin Plan and through State and Federal water reforms may impact the liquidity, transferability and value of Australian Water Entitlements. Historically, governments have allowed transitional periods in order for the market to any changes in regulations. The regulatory environment, such as the tax and legal structure, surrounding Water Entitlements and the investment vehicle is subject to change. Such change has the potential to adversely impact the Company's performance.
REPUTATION	
Water market communications	The Company provides monthly updates and ASX announcements, with Board approval.

EVENT	COMMENTARY
MANAGER AND KEY PERSON	
Key person and succession planning	The success of the Company depends on the ability to retain the members of the Board and for the Investment Manager to retain as well as attract talented personnel. The Company has executed an Investment Management Agreement with the Investment Manager and a key terns if reference with each director, but this does not guarantee continued involvement of Board members or employment of key personnel. The loss of key employees could cause material disruption to the business and operations of the Company and have a material adverse effect on future financial performance.
Investment Manager assessment and reliance on the Investment Manager	The Company proposes to have a Management Assessment Committee (pending Board approval) to ensure the Company are best assessing the performance of the Investment Manager. This committee would include the Independent Directors only and would meet periodically. The investment decisions made by the Investment Manager will be key to achieving the Company's investment objectives. Failure to develop and implement adequate strategies may adversely impact the performance of the Company.
CONTROLS	
Internal controls	The Company is aware of various internal control risks including distribution of authority, separation of duties and powers, review processes, communication with Board and others, counterparty risks, credit risks and bank related risks (digital hacking or email/organised fraud). The Risk Committee and the Board have completed a full risk assessment and keep a live risk register of these items. The reviews conducted found no internal control risk deficiencies. The Company undertakes ongoing internal controls reviews and ensures Auditor engagement includes review of controls. There are policies in place, reviewed regularly, concerning counterparty risks and "know your customer" programs. Staff training is conducted regarding fraud and hacking risks, and professional assistance is obtained to identify mitigation responses and disaster response planning.
RIGHTS ISSUE SPECIFIC	
Ability to deploy funds	Refer to earlier risk under "Market" category.

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

DUXTON WATER

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