



ANNOUNCEMENT TO AUSTRALIAN SECURITIES EXCHANGE

17 October 2018

ASX Limited
Companies Announcement Office
Electronic Lodgement System

Dear Sirs

Section 708AA Notice – Entitlement Offer

Duxton Water Limited (**Company**) notifies the ASX for the purpose of section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) that the Company will offer to all existing shareholders a 1 for 2 entitlement offer in the Company (**Entitlement Offer**) without disclosure to investors under Part 6D.2 of the Corporations Act.

As at the date of this notice, the Company states that it:

- Has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company.
- Has complied with section 674 of the Corporations Act.
- Is not aware of any excluded information within the meaning of section 708AA(8) of the Corporations Act.

The Company's largest shareholder, Duxton Vineyards Pty Ltd, has advised that neither it nor its associate, Duxton Vineyards Water Pty Ltd, will be participating in the Entitlement Offer. Accordingly, the potential effect on control as a result of the Entitlement Offer is dilution of the relevant interest currently held by Duxton Vineyards Pty Ltd and Duxton Vineyards Water Pty Ltd in the Company. The maximum extent of the anticipated dilution in the event that the Entitlement Offer is fully subscribed is set out in the below table.

Shareholders	Pre-Entitlement Offer	Post Entitlement Offer
Duxton Vineyards / Duxton Vineyards Water	34,413,856	34,413,856
	38%	25%

The Company does not otherwise consider that the Entitlement Offer will have a material impact on the control of the Company.

Yours faithfully

Donald Stephens
Company Secretary