



19 October 2018

ASX Announcement

COMPLETION OF INSTITUTIONAL ENTITLEMENT OFFER

Duxton Water Limited (**ASX: D2O**) (**Duxton, the Company**) is pleased to announce it has completed the institutional component (**Institutional Entitlement Offer**) of its accelerated non-renounceable 1 for 2 pro-rata entitlement offer (**Entitlement Offer**), as announced on 17 October 2018.

The Company intends to use the funds raised under the Institutional Entitlement Offer and the Retail Entitlement Offer (described below) 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.

“Given the turmoil in the world financial markets in the past few weeks we are pleased that even given the rocky markets we have welcomed in some new institutional shareholders to our company. We suspect that they will find, as our current shareholders are finding, that water is uncorrelated to most other asset classes. Given where we are in the agricultural cycle and at the current point of time in the weather cycle we are expecting to provide our new shareholders with some very pleasing results,” said Mr Ed Peter, Chairman.

“We are now pleased to be launching the Retail Entitlement Offer to give our valued existing shareholder base the opportunity to participate. Their investment in the Company is strongly valued and appreciated and we want to ensure they are included and thanked for their investment over the last few years” he said.

The Institutional Entitlement Offer raised \$9.8 million at the offer price of \$1.30 (Offer Price) per new share (New Share). Take up of entitlements by existing shareholders was approximately 1.2 million shares (\$1.6 million) from total entitlements of 18.5 million. This represented a take up of approximately 92% by shareholders excluding Duxton Vineyards which, as previously announced, notified the Company that it would not exercise its entitlements and place its entitlements with new shareholders. The remaining 6.3 million shares (\$8.2 million) were subscribed for by both existing eligible institutional shareholders and new eligible investors identified by the Company (or its brokers) as part of a shortfall offer.

New Shares issued under the Institutional Entitlement Offer will rank equally with existing shares on issue. The Company previously announced, on the 17 October 2018, that settlement of funds in relation to the New Shares was expected to occur on 22 October 2018, however the Company advises that settlement will now occur on the 23 October 2018. Accordingly, New Shares to be issued under the Institutional Entitlement Offer will be allotted on 24 October 2018 (instead of on the 23 October 2018) and will commence trading on a normal settlement basis on the Australian Securities Exchange (**ASX**) on the same day.

Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer (Retail Entitlement Offer) will open on 24 October 2018 and is anticipated to close at 5:00pm (CSDST) on 16 November 2018 and consists of a 1 for 2 pro-rata non-renounceable entitlement offer at \$1.30 per share to raise up to approximately \$34.6 million.

Eligible retail shareholders with a registered address in Australia or New Zealand as at 7:00pm (CSDST) on the 19 October 2018 (**Record Date**) (**Eligible Retail Shareholders**), have the opportunity to take up their entitlement of New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be lodged with the ASX today and then sent to shareholders on or around 24 October 2018.

Eligible Retail Shareholders can choose to take up all, part or none of their Entitlements. Furthermore, the Retail Entitlement Offer will include a top up facility under which Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional shares in the Retail Entitlement Offer that were not taken up by other Eligible Retail Shareholders. There is no guarantee that applicants under the top up facility will receive all or any of the additional shares for which they apply.

The Entitlement Offer is not underwritten and any shortfall shares will be placed by the Directors at their discretion subject to compliance with the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

It is important to note that the Retail Entitlement Offer is non-renounceable and there will be no trading of entitlements.

New Shares under the Retail Entitlement Offer are expected to be issued on 26 November 2018. Duxton will, upon issue of the New Shares under the Retail Entitlement Offer, see quotation of the New Shares on the ASX.

Please note that Shareholders with a registered address outside of Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer.

Duxton expects its trading halt to be lifted and Duxton shares to recommence trading on an “ex-entitlement” basis from market open on 19 October 2018.

Key Dates

Event	Date
Announcement of the Entitlement Offer	17 October 2018
Institutional Entitlement Offer opens	17 October 2018
Institutional Entitlement Offer closes	18 October 2018
Shares recommence trading on the ASX on an “ex-entitlement” basis	19 October 2018
Record Date for the Entitlement Offer	7:00pm (CSDST) 19 October 2018
Settlement of New Shares issued under the Institutional Entitlement Offer	23 October 2018
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	24 October 2018
Retail Entitlement Offer opens	24 October 2018
Retail Offer Booklet despatched	24 October 2018
Retail Entitlement Offer closes (Retail Closing Date)	5:00pm (CSDST) 16 November 2018
Allotment of New Shares under the Retail Entitlement Offer	23 November 2018
New Shares issued under the Retail Entitlement Offer commence trading on the ASX	26 November 2018
Despatch to Shareholders of holding statements under the Retail Entitlement Offer	27 November 2018

All dates and times referred to are based on Australian Central Standard Daylight Saving Time and are subject to change. The Company reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

Further Information

For further information on the Entitlement Offer or if you have any questions you can call the Duxton Shareholder Information Line on 08 8130 9500 (within Australia) or +61 8 8130 9500 (outside Australia) from 8.30 am to 5.30 pm (AEDT) Monday to Friday (excluding public holidays).

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Contacts

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Summary Information

The following disclaimer applies to this announcement and any information contained in it. The information in this announcement is of a general background and does not purport to be complete. It should be read in conjunction with Duxton's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

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The forward-looking statements reflect the Duxton views and assumptions with respect to future events as of the date of this announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward looking statements attributable to Duxton, or any of its affiliates or persons acting on its behalf. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither the Company nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, Duxton and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or otherwise.

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