

21 November 2018



RE: Issuance of New Shares in the Retail Entitlement Offer, closed 16 November 2018

Duxton Water is pleased to announce that through the completion of the 1 for 2 non-renounceable rights issue at offer price of \$1.30 per share, we have raised a total of \$23.78 million (before transaction costs), and will issue a total of 18,295,736 new shares, with Bell Potter as lead manager. After issuance of shares on Friday 23 November 2018, this will bring the Company's total shares on issue to 108,576,017 and market capitalisation to \$146.57 million (at \$1.35/share).

As previously advised, the accelerated Institutional Offer, raised \$9.75 million in October, the funds from which have already been utilised. Dilution was outweighed by portfolio value uplift which was reflected in the NAV per share remaining steady at \$1.36, at 31 October 2018. In addition to this, the Retail Offer has seen \$7.53 million raised through entitlement take-up, and a further \$6.50 million raised through placement of Retail shortfall.

The Company has a capacity to keep the shortfall open and available for placement until February 2019, however the Board has elected to only keep the shortfall available for application open until 28 November 2018, with issuance of any further take-up expected on 30 November 2018. Any additional shortfall placement continues to be at the Company's discretion.

The Board thanks existing shareholders for their continued support and investment. We are also pleased to welcome new investors, including a number of institutions, further diversifying the register which we believe benefits all our shareholders.

As at the 20 November 2018, the Company is invested in \$183.40 million of water assets, including 59,172 ML of water entitlements. Since 31 October 2017, the portfolio has grown from \$84.6 million, through continued acquisition and uplift in value of assets managed. This has been achieved through debt funding ahead of capital injection. Over the last 12 months (to 31 October 2018) the Company has delivered shareholders 28.15% return, inclusive of three franked dividends and capital growth.

With conditions continuing to be dry, and with a lack of sufficient in-flows to the system, the Australian water market continues to see allocation prices rise rapidly, and a steady increase in the value of water entitlements. Duxton Water sees an opportunity over the next 24 to 36 months in particular to continue to grow the portfolio, and to develop long-term relationships with irrigators, so as to best supply the water solutions they need in order to produce.

We are pleased with the overall performance we provided to shareholders to date. Given the demand trends observed in the water market, and our active management of the growing portfolio, the Company is well placed to continue to provide both capital growth and regular income returns to shareholders. We expect the investment to continue to offer low correlation to traditional assets classes and to act as a proxy to agriculture.

Sincerely,

Ed Peter
Chairman