

14 May 2020
ASX Announcement



DIVIDEND UPDATE

Duxton Water Limited ("Duxton Water" or "The Company") wishes to provide our shareholders with an update in response to the unfolding COVID-19 economic impacts.

While the Board will continue to monitor and advise of any change, it does not currently foresee any significant operational impact to the Duxton Water business. It is pleased to reaffirm its intention to pay a fully franked 2.9 cent dividend in September 2020 and a fully franked 3.0 cent dividend in March 2021.

Given the forward visibility available within the business, the Board is comfortable to provide a fully franked dividend target of 3.1 cents to be paid in September 2021. In addition, a further target of 3.2 cents fully franked to be paid in March 2022 is announced today, giving our shareholders 24 months visibility in these uncertain times.

Duxton Water Ltd is engaged in building a portfolio of both ground and surface water entitlements predominantly across the southern Murray Darling Basin. The Company uses this portfolio to provide flexible water supply solutions to our farming partners. 100% of the Company's water assets are active in the delivery of water to irrigators through entitlement leases and both spot and forward contract allocation sales.

The Company is pleased to announce the execution of a new water lease arrangement commencing 1 July 2020. This will take the leased portion of the Company's permanent water portfolio to 66%, generating approximately \$9.5 million in annualised leasing revenue from 1 July 2020.

With greater visibility to future recurring revenue and a current weighted average lease expiry ("WALE") of 2.9 years (5.2 years inclusive of renewal options), the Board is comfortable to provide shareholders with dividend targets through to March 2022.

The Company expects to complete further lease agreements over the next month ahead of the 2020/2021 water year.

Contacts:
Mr Ed Peter and/or Mr Stephen Duerden +61 8 8130 9500

This announcement has been authorised for release by the board of Duxton Water Ltd.