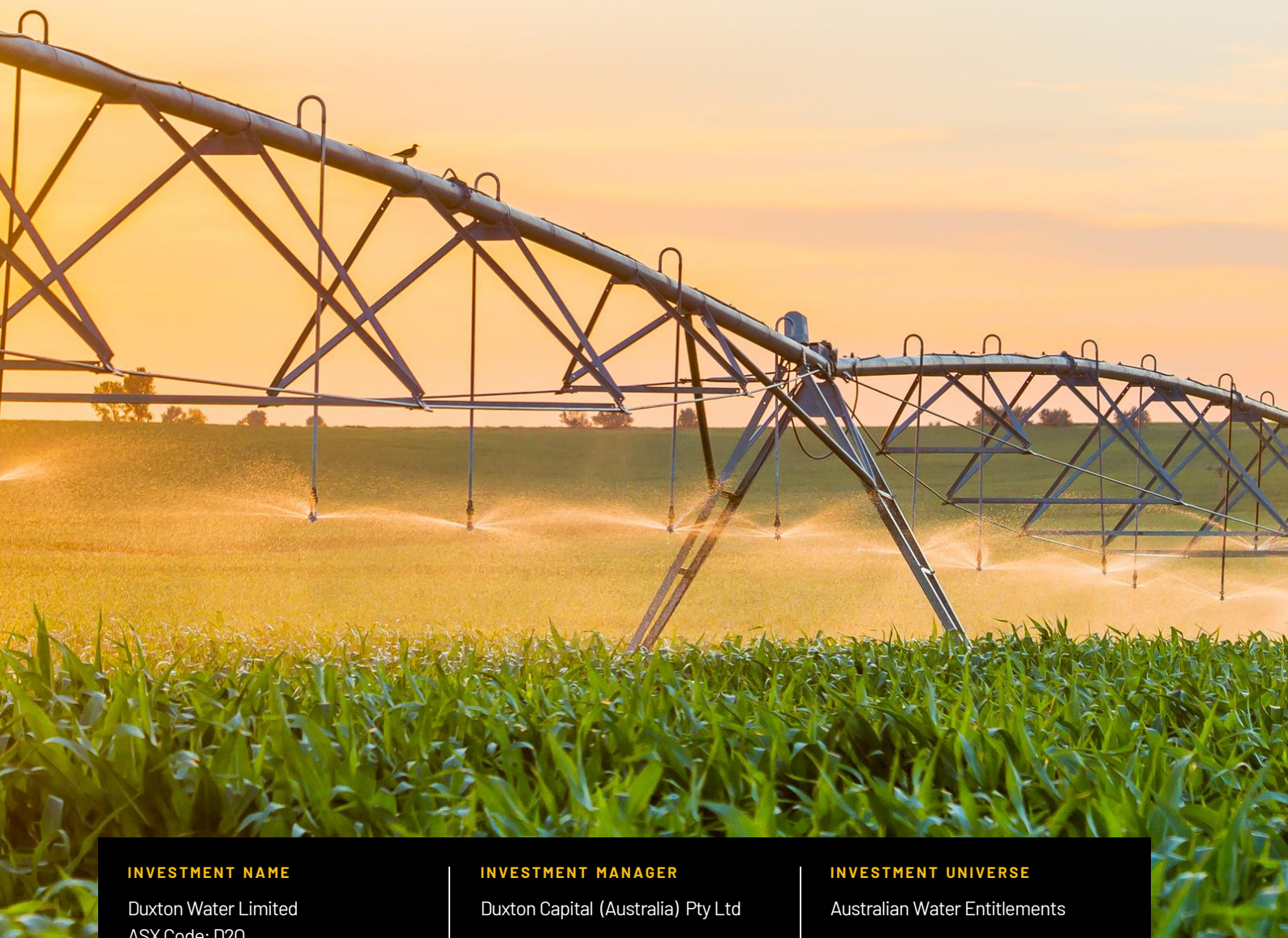


Monthly Update



OCTOBER 2024



INVESTMENT NAME

Duxton Water Limited
ASX Code: D20

INVESTMENT MANAGER

Duxton Capital (Australia) Pty Ltd

INVESTMENT UNIVERSE

Australian Water Entitlements

NET ASSET VALUE (POST-TAX)

\$1.51 per share

WATER PORTFOLIO VALUE

\$366 million

SHARES ON ISSUE: 156,519,518

OPTIONS ON ISSUE: 38,165,906



The primary investment objective of Duxton Water ("the Company") is to build a portfolio of permanent water entitlements and utilise this portfolio to provide flexible water supply solutions to our Australian farming partners. The Company generates a return by offering irrigators a range of supply solutions including long-term entitlement leases, forward allocation contracts and spot allocation supply.



Portfolio Managers' Update

October 2024 continued to bring drier than usual conditions to many parts of the southern Murray-Darling Basin ("sMDB"). Warm temperatures and limited rainfall over the past few months have prompted irrigation activities to begin earlier this year.

This shift is evident as we have seen an increase in activity in the allocation, forward, and lease markets for this time of year. Increased water demand, particularly from annual crop growers, is exerting upward pressure on spot prices in certain regions. Continued volatility in weather conditions and outlook has led irrigators to enter the market early to secure water ahead of summer.

Further to that, we received several inbound inquiries for forward, leases, and carry-over contracts for the next water year. Typically, these types of inquiries come through after summer, but this year, it appears that irrigators are proactively preparing for the next season earlier than usual.

During the month, Duxton Water signed a new 1,000ML groundwater lease, scheduled to commence on 1 January 2025. This lease is part of an acquisition and leaseback transaction and provides the Company with a visible revenue stream out to 2034.

The effects of drier conditions throughout most of 2024 are reflected in dam storage levels and, consequently, in water allocation percentages. Murray River inflows have been significantly below the long-term average for at least 5 consecutive months. This has delayed full allocation to High-Security Murray entitlements.

When it comes to general security and low reliability entitlements, they have not seen an increase in allocation for the last several months. These entitlements generally received a lower allocation percentage for this time of year when compared to the previous few years.

The lack of recent rainfall has also led to major dam storages releasing more water, resulting in net outflows from the system. The combined sMDB dam storage levels are currently at 75%, compared to 92% in October 2023. With increased variability in weather conditions, the Company is actively engaging with irrigators to arrange leases and forward contracts to support medium to long-term water use.

This month, the sMDB entitlement market has seen a contraction in prices for several major entitlements. During the past 3 to 4 weeks, transactional volume in the entitlement market has decreased, with most trades being small in size. The Company believes this slowdown may be impacting price trends.

There have been no further updates regarding the Government buyback program. The Government has yet to confirm the outcome of their 70,000ML tender that closed on 11 September 2024. The Government has advised its plan to commence making offers to tender participants before the end of 2024. Additionally, there are currently two expressions of interest ("EOI") open, which are expected to close on 27 November 2024. One EOI is for entitlement holders who were not eligible for the first tender, with the second EOI being for large portfolios in excess of 20,000ML.

Finally, the Company was pleased to have paid a fully franked dividend of 3.7 cents per share on 25 October 2024. This marked the Company's 15th consecutive dividend since inception.



Lachlan Campbell
Portfolio Manager



Lachlan Beech
Portfolio Manager

COMPANY PERFORMANCE*

1 Month	3 Months	6 Months	12 Months	Inception
-0.62%	0.11%	0.89%	0.40%	100.28%

*These figures are based on NAV movements and include franked dividends for the period.



Water Lease & Forward Update

At 31 October 2024, Duxton Water had 40% of its permanent water portfolio (by value) leased to Australian farming businesses. The Company's WALE is currently 2.9 years, or 4.5 years, including renewal options.

During the month, the Company entered into a new 1,000ML lease as part of an acquisition and leaseback transaction involving a parcel of groundwater entitlements. The lease commences on 1 January 2025 and expires on 30 June 2034. It provides the Company with a stable lease yield (subject to annual indexation) and includes a price reset in 2030.

Interest in leases starting on 1 July 2025 continues to rise, leading to increased activity in the market. Due to ongoing fluctuations in weather conditions, irrigators are proactively seeking water security for the upcoming years.

Further to this, other product markets are attracting attention earlier than usual. The Company received inquiries for forward and carry-over products for the next water year, suggesting that irrigators are proactively planning for the season ahead (commencing 1 July 2025).

Duxton Water offers a range of water supply solutions to the market. These products are intended to provide farmers with choice and flexibility to manage their annual water requirements. Duxton Water highlights the importance of Australian irrigators having a well-defined water strategy.



Irrigated Cotton Field in NSW

FORWARD CONTRACT CASE STUDY:

A forward contract allows an irrigator to agree on the volume, price, and future delivery date of water. This provides farmers with visibility over water costs for the season and protects against volatility in spot water prices. These contracts become particularly valuable during volatile weather conditions. Additionally, forward contracts also guarantee a reliable water supply, as the vendor is obligated to deliver the agreed quantity on the specified date.

Through this type of partnership, Duxton Water offers Australian farming businesses additional security when it comes to managing their annual water requirements.



QUICK FACTS SUMMARY

	September 2024	October 2024
Water Entitlements	87.3GL	88.3GL
Portfolio Diversification (types)	19	19
Leased % of Portfolio	40%	40%
Weighted Average Lease Expiry (WALE)	3.0 years	2.9 years
WALE (incl. renewal options)	4.6 years	4.5 years

Entitlement Market Update

At 31 October 2024, Duxton Water held 88.3GL of water entitlements across 19 different types and classes.

In October, the Company purchased 1,000ML of SA groundwater entitlements. The Company believes this entitlement fits well within the portfolio while further adding diversification.

The entitlement market in the sMDB saw a decline of approximately 1.2% in October. Transactional volume was lower this month, with the majority of activity appearing to originate from businesses selling parcels of entitlements, likely to fund broader business operations.

Allocation Market Update

Allocation prices have risen in the Murrumbidgee and upper Murray catchments. The Company believes the increase is largely attributed to the prolonged dry conditions experienced over the past few months. Additionally, the growing demand for irrigation from annual crop growers has further lifted prices.

At the end of October, spot water prices ranged between \$135-\$140/ML in the Murrumbidgee, \$100-\$105/ML in the Goulburn, \$135-\$140/ML in the lower Murray, and \$120-\$125/ML in the upper Murray.

Allocations to entitlements (as of 1 November 2024):

Entitlement Region	High Security	General Security
NSW Murray	97%	44%
VIC Murray	98%	0%
SA Murray	100%	n/a
Murrumbidgee	95%	34%
Goulburn	100%	0%



Finance Update

At 31 October 2024, Duxton Water's post-tax NAV closed at \$1.51 per share. This represents a 6 cent decrease from the previous month.

The Company's pre-tax NAV, excluding tax provisions, closed at \$1.61 per share, decreasing by 7 cents from the previous month.

The decline in NAV is mainly attributable to the Company paying a fully franked dividend of 3.7 cents per share to shareholders on 25 October 2024. Additionally, the value of several entitlements within the Company's portfolio softened relative to the end of September.

At 31 October 2024, the Company's net debt to water assets ratio ("LVR") was 29.7%. This continues to be well below the Company's maximum LVR covenant of 40%.

NAV (post-tax)	NAV (pre-tax)
\$1.51 per Share	\$1.61 per Share

Bonus Options

At 31 October 2024, there were 38,165,906 options on issue on the ASX under the ticker code D200A. These can be exercised on or before 10 May 2026 at a strike price of \$1.92.

Further information about the Company's bonus option issue can be found in the Company's bonus option prospectus, released on the ASX on 30 October 2023.

Dividends

On 25 October 2024, Duxton Water paid a 3.7 cents per share dividend. This dividend was in line with the previously stated dividend target and was fully franked (30% tax rate) for Australian tax purposes.

Duxton Water was pleased to have again offered shareholders the opportunity to participate in the Company's DRP. Participants were eligible to receive a 5% discount to acquire new shares under the DRP.

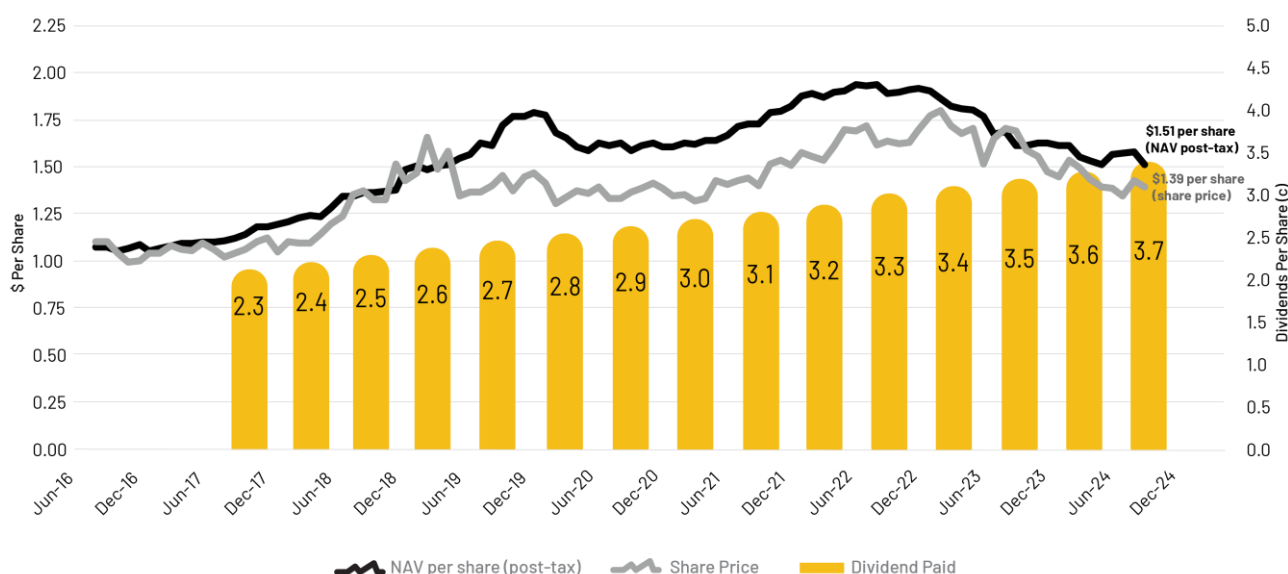
This dividend represents the Company's 15th consecutive dividend paid since November 2017. Including this latest dividend, Duxton Water has now paid a total of 45 cents per share in dividends since its inception.

On-Market Share Buyback

Duxton Water has an on-market share buyback program in place. The Company anticipates it will repurchase shares from the market from time-to-time. This will be done when the Company believes the share price does not accurately reflect the underlying value of the Company's assets. The Board considers the share buyback program to be in the interests of all shareholders.

The Company has bought back a total of 619,225 shares at an average price of \$1.35 per share between 27 June 2024 and 31 October 2024.

HISTORICAL PERFORMANCE - SINCE INCEPTION

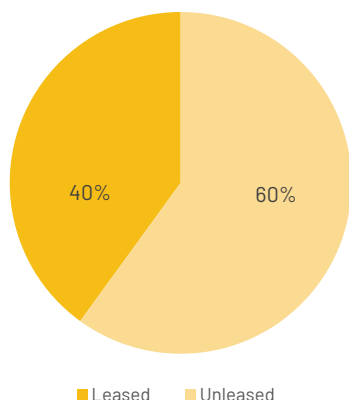


VALUATION METHODOLOGY

The Company uses an Independent Fair Market Unit Value for entitlement and allocation provided by Ricardo to undertake the NAV assessment. Ricardo acquired Aither Pty Ltd in 2024 and has subsequently changed name from Aither to Ricardo. Ricardo's definition of fair market value is consistent with the principles of the Australian Accounting Standards Board (AASB) 13 Fair Value Measurement. It is a non IFRS measure that is not reviewed or audited by the Company's auditor. Further information can be found at www.duxtonwater.com.au

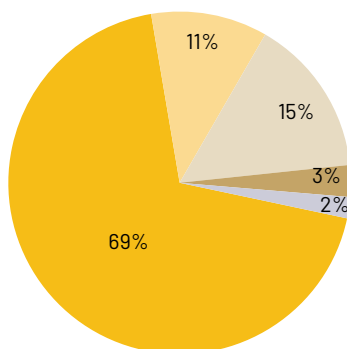


WATER PORTFOLIO DIVERSIFICATION



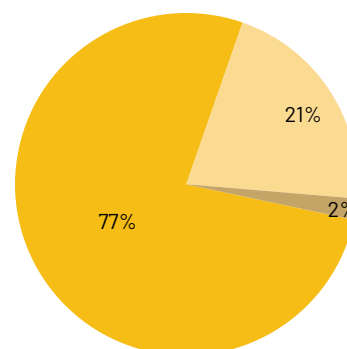
■ Leased ■ Unleased

ENTITLEMENT VALUE BY REGION



■ Murray ■ Murrumbidgee
■ Goulburn ■ Lachlan
■ Mallee

WATER SECURITY BREAKDOWN



■ High Security ■ General Security ■ Groundwater

Weather Update

In October 2024, national rainfall was 18% below the long-term average. Average to drier conditions were experienced across most of the East Coast and Tasmania. In contrast, Western Australia experienced above-average rainfall.

In the Murray Darling Basin ("MDB"), October rainfall was 37% below the long-term average. Dry conditions were experienced across the Murrumbidgee and Goulburn catchments. This has also resulted in soil moistures remaining below average in these areas. The lower Murray received average rainfall after several months of receiving below average rainfall.

The national average temperature in October 2024 was 2.51°C above the long-term average, the second-highest for October since 1910. Both maximum and minimum temperatures were above the long-term average.

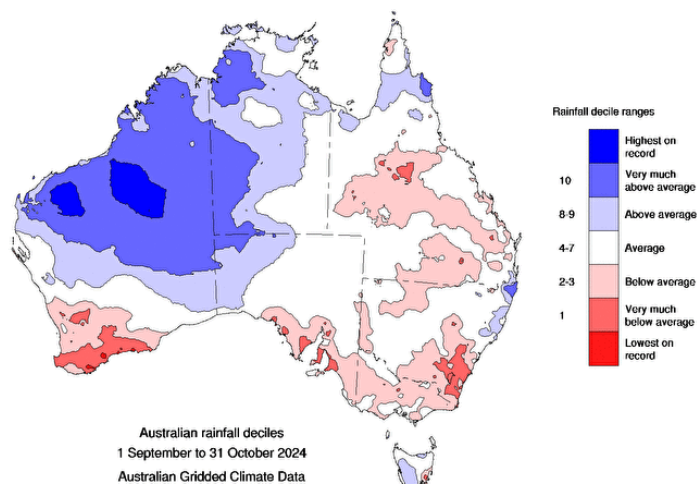
The El Niño-Southern Oscillation ("ENSO") and the Indian Ocean Dipole ("IOD") remained neutral. The ENSO outlook remains at "La Niña Watch", which indicates there is approximately a 50% chance of La Niña developing.

As of 8 November 2024, the Southern Annular Mode ("SAM") is positive and is expected to remain positive in the coming weeks. A positive SAM typically decreases rainfall in southern Australia but increases the chances of rainfall in eastern Australia.

As of 12 November 2024, the Madden-Julian Oscillation ("MJO") moved eastwards across the western hemisphere and into the western Indian Ocean. It is expected that the MJO will have little impact on northern Australian rainfall in the coming weeks.

RAINFALL DECILE CHART (SPRING)

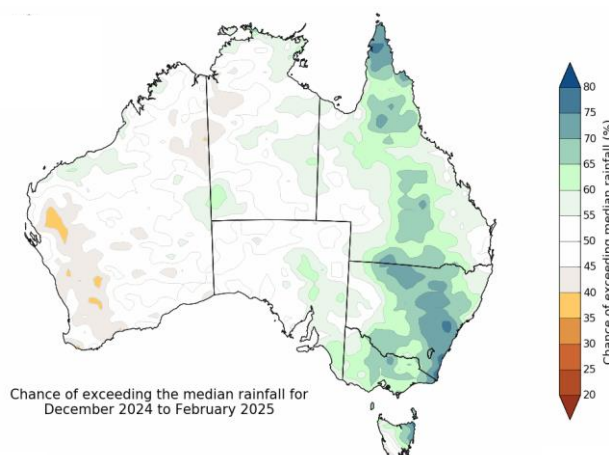
SEPTEMBER 2024 - OCTOBER 2024



Source: Bureau of Meteorology

CHANCE OF ABOVE-AVERAGE RAINFALL

DECEMBER 2024 - FEBRUARY 2025



Source: Bureau of Meteorology - 7 November 2024

1. Bureau of Meteorology. Australia in October 2024 - 1 November 2024
2. Bureau of Meteorology. Climate Driver Update - 12 November 2024



Outlook & Storages

The weather forecast for December to February indicates above average rainfall is likely for large parts of eastern Australia. During the same period, most of Australia is expected to have warmer days and nights than average.¹

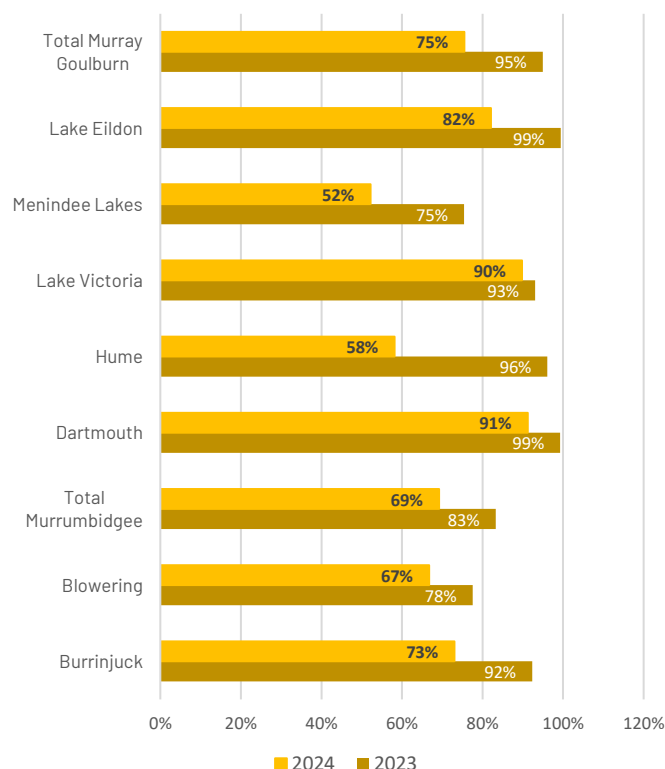
The Bureau of Meteorology's model suggests that sea surface temperatures will remain in the ENSO-neutral range. Only one of six climate models suggests a potential La Niña event forming from December to February. If this does occur, it is expected to be weak and short-lived, ending by March 2025.

With regards to the IOD, climate models indicate that the IOD index might meet or exceed negative thresholds in November 2024. However, all models except one are forecasting a return to neutral levels in December 2024.²

River inflows into the Murray system were well below the long-term average in October due to low rainfall throughout the month. Low streamflow is expected to continue for the rest of the year.

MDB storage levels were at 75% at the end of October 2024, down from 92% at the same time last year. At the end of October, storage levels in the northern and southern basins were at 71% and 75%, respectively. In comparison, last year, the northern basin had storage levels of 84%, while the southern basin was at 93%.

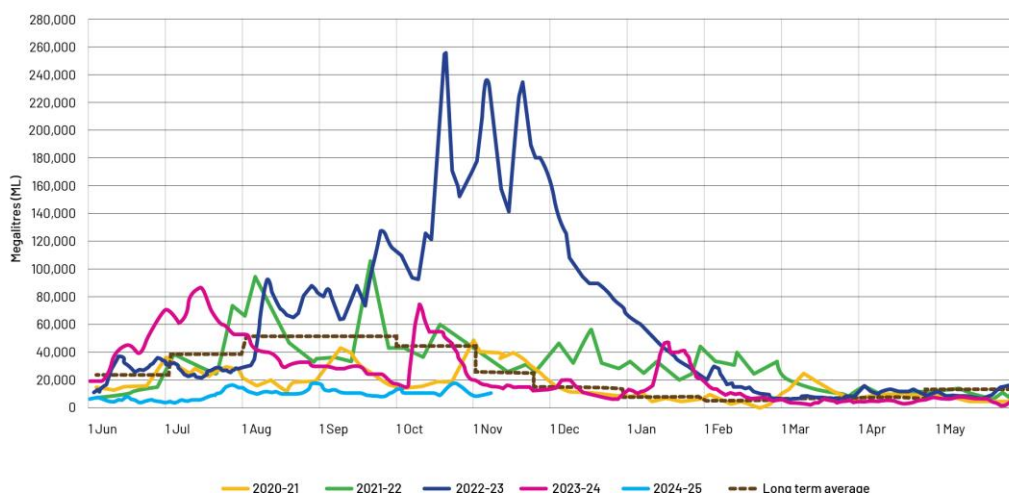
STORAGE LEVELS IN MAJOR DAMS



1. Bureau of Meteorology. Long-range forecast overview – 7 November 2024
2. Bureau of Meteorology. Climate Driver Update – 12 November 2024

DAILY INFLOWS TO THE MURRAY DARLING BASIN

Murray System Daily Inflows (excl. Snowy Darling, inter-valley trade and environmental inflows) – 5 day rolling average



This announcement has been authorised for release by the Chairman of Duxton Water Limited

DISCLAIMER: This factsheet is prepared by Duxton Water Limited [ACN 611 976 517] ("Duxton Water"). This factsheet has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in Duxton Water. Information from this factsheet must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation. The terms of Duxton Water are set out in the prospectus of Duxton Water ("Prospectus"), and should there be any conflict between the terms set out in this factsheet and the Prospectus, the terms in the Prospectus shall prevail. The forecasts provided are based upon Duxton Water's opinion of the market as at this date and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance. Investments are subject to risks, including possible loss of principal amount invested. The value of shares/units and their derived income may fall as well as rise. Past performance or any prediction or forecast is not necessarily indicative of future performance. No assurance is given that the investment objective or the targets will be met. This document does not constitute investment, tax, legal or any other form of advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Investors should study all relevant information and consider whether the investment is appropriate for them. If you require investment or financial advice please contact a regulated financial adviser. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in this presentation. Although the information was compiled from sources believed to be reliable, no liability for any error or omission is accepted by Duxton Water or its affiliates or any of their directors or employees. The information and opinions contained may also change. Copyright protection exists in this presentation. To the extent permitted by applicable law, none of Duxton Water, Duxton Capital (Australia) Pty Ltd, their respective affiliates, or any of their respective officers or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this factsheet or its contents, including for negligence.