

## **PRESS RELEASE**

*For Immediate Release*



### **GLOBAL WATER RESOURCES, INC. ANNOUNCES EXECUTION OF SENIOR SECURED NOTE PURCHASE AGREEMENT TO FACILITATE DEBT REFINANCING**

**PHOENIX, AZ – May 24, 2016** – Global Water Resources, Inc. (NASDAQ: GWRS, TSX: GWR) (the “Company”) announced today that it has entered into a Note Purchase Agreement to issue two series of senior secured notes for a total principal amount of \$115 million at a blended interest rate of 4.55%. The new notes provide for no principal payments during the first five years of the term.

The Company will use the proceeds to refinance its existing long-term debt of \$107 million and pay the associated prepayment penalties of \$3.2 million. The remaining proceeds will be used by the Company for general corporate purposes. The transaction is expected to close on June 24, 2016.

“We were able to negotiate extremely favorable terms,” said Ron Fleming, Chief Executive Officer. “This transaction marks the completion of a four year strategy to position the Company for the long term. We are very pleased with this outcome and look forward to the opportunities this provides us as we look to grow into the future.”

“We expect this debt refinancing to significantly improve our annual cash flow and combined with the elimination of \$9 million in debt reserve, this provides us the liquidity to make strategic decisions that focus on growing the long term value of the Company,” added Mike Liebman, Chief Financial Officer.

The terms of the agreement are as follows:

- Series A: \$28.75 million at an interest rate of 4.38%, with a 12 year bullet payment due June 15, 2028.
- Series B: \$86.25 million at an interest rate of 4.58%, over 20 years, with interest-only payments in the first five years, followed by \$3.8 million annual principal payments thereafter (made semi-annually, with the first payment of \$1.9 million due on December 15, 2021).
- No debt reserve requirement.

#### **About Global Water Resources, Inc.**

The Company is a water resources company located in Phoenix, Arizona, that owns and operates regulated water, wastewater and recycled water utilities in the metropolitan Phoenix area.

**Cautionary Note Regarding Forward-Looking Statements**

*This press release includes certain forward-looking statements. These forward-looking statements include, but are not limited to, the expected use of proceeds, the timing of closing, the expected improvements in cash flow and other statements that are not historical facts as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", or the negative of these terms, or other words of similar meaning. These statements are based on our current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond our control. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors and other factors. We undertake no obligation to publicly update any forward-looking statement, except as required by law, whether as a result of new information, future developments or otherwise.*

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