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ASX Release
18 April 2019

DUXTON WATER LTD ANNOUNCES THE SUCCESSFUL COMPLETION OF A\$15 MILLION PLACEMENT

Duxton Water Ltd (“Duxton” or the “Company”) (ASX: D2O) is pleased to advise that it has successfully completed the Placement, which saw strong demand from both institutions and professional sophisticated investors. The Company will now undertake a subsequent Share Purchase Plan (“SPP”) to be offered to all eligible shareholders.

Bell Potter Securities Limited (“Bell Potter”) acted as Lead Manager to the Placement.

The Company has received firm commitments to raise A\$15 million through the share placement (“Placement”) pursuant to Section 708 of the Corporations Act (Cth) at an issue price of A\$1.48 per new share. The allotment of new shares is scheduled for Monday 29 April 2019, pending final settlement of funds by Friday 26 April 2019.

To enable all shareholders to participate, the Company will also implement a **Share Purchase Plan** (“SPP”), also at A\$1.48 per Share, to eligible D2O shareholders. The Company will accept subscriptions of up to A\$15,000 from each shareholder under the SPP.

“We believe that greater size and scale of the Company and the underlying portfolio will enable the Company to meet the increasing customer demand for further water supply offerings to our irrigator Customers.

Increased scale will have a positive impact on our existing shareholders as it should create a more diverse register, greater liquidity, and with a larger portfolio of assets, greater return capability.

We want to make sure that all of our existing shareholders are also looked after when we do a capital raise – we want them to be able to participate, to grow their holding, if that is what they would like to do, or to at least maintain their position.

This Company is very scalable, and with the emerging demand yet to really be factored into the value of the water entitlements, we think there is still further capital and yield growth opportunity for us.”

- Ed Peter, Chairman, 18 April 2019

Use of funds

Funds raised will be used by Duxton Water to finalise already contracted assets in the pipeline, continue to acquire water entitlements in the Australian water market and cover costs associated with the entitlement offer. Excess funds, if any, will be used to repay debt (~A\$60 million fully drawn), and general working capital requirements.

The Company observes continued shift in demand from irrigators towards longer term water supply solutions and risk management tools, like allocation forward contracts and leases. These funds allow the Company to continue to build the diverse water entitlement portfolio in a targeted way, to continue to meet this demand from its irrigation partners.

Placement Details

The Placement raised A\$15 million through the issue of 10,135,136 fully paid ordinary shares at A\$1.48 per share and was made to sophisticated investors eligible under section 708 of the Corporations Act (Cth).

The issue price of A\$1.48 represents a 7.5% discount to the last traded price of A\$1.60 and a 7.1% discount to 10-day VWAP (of A\$1.593) up to and including the day before the issue price was determined (17 April 2019), and an 8.6% discount to NAV excluding provisions for unrealised gain (of A\$1.62 at 31 March 2019).

The placement shares will be issued in accordance with the Company's available placement capacity under ASX Listing Rule 7.1.

The new shares will rank equally with existing D2O ordinary shares quoted on the ASX.

SPP

The SPP will provide eligible shareholders with registered addresses in Australia or New Zealand with the opportunity to subscribe for up to A\$15,000 each in the Company at A\$1.48 per Share, the same as the Placement. The books closing date for the SPP was close of business 17 April 2019.

The SPP booklet is scheduled to be sent to Shareholder on Monday, 29 April 2019. The Director's propose to participate to the maximum extending permissible under the SPP, subject to any legal or regulatory requirements (including superannuation legislation and policy).

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).

Alternatively, please email Lauren Thiel, Business Development, at lauren.thiel@duxtonam.com.

Summary Information

The following disclaimer applies to this announcement and any information contained in it (the **Information**). The Information in this announcement is of 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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