16 May 2019

RE: Completion of Share Purchase Plan, closed 13 May 2019

Duxton Water is pleased to announce that upon the completion of the Share Purchase Plan ("SPP") at offer price of $1.48 per share, we have raised a total of $3.6 million (before transaction costs, and pending settlement*), and will issue a total of 2,452,240 new shares. After issuance of shares on Monday 20 May 2019, this will bring the Company's total shares on issue to 121,267,761.

As previously advised, the recently completed Placement raised $15 million, the funds from which have put towards the existing debt facility. Dilution was outweighed by portfolio value uplift, in April, which was reflected in the NAV per share increasing from $1.48 per share at 31 March 2019 to $1.50 per share at 30 April 2019.

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

As at the 30 April 2019, the Company is invested in $239.4 million of water assets, including 69.7 GL of water entitlements. The portfolio has grown 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 30 April 2019) the Company has delivered shareholders a 26.99% return, inclusive of two franked dividends and capital growth.

With conditions continuing to be dry, low opening allocations announced for the new water year (beginning 1 July 2019), and a lack of sufficient in-flows to the system, the Australian water market continues to see allocation and entitlement prices rise. Duxton Water sees an opportunity in this market to continue to grow the portfolio, and to develop long-term relationships with irrigators, to meet their increasing demand for longer-term supply solutions.

We are pleased with the overall performance we have 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 Duxton Water to continue to offer low correlation to traditional assets classes and to act as a proxy to agriculture.

Sincerely,

Ed Peter
Chairman

**Final settlement confirmation of funds to occur Friday 17 May 2019 before issuance on 20 May 2019.*