17 October 2018
ASX Announcement

Not for release to US wire services or distribution in the United States

ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER

Duxton Water Limited (ASX: D2O) (Duxton, the Company) is pleased to announce a 1 for 2 accelerated non-renounceable entitlement offer (Entitlement Offer) at $1.30 per share (Offer Price) to raise up to approximately $58.7m through the issue of up to approximately 45.1 million new Duxton shares (subject to rounding) (New Shares).

The Company intends to use the funds raised under the Entitlement Offer to finalise already contracted assets in the pipeline, continue to acquire water entitlement and allocation assets in the Australian water market and cover costs associated with the Entitlement Offer. Excess funds, if any, will be used to repay debt (~$30 million), and general working capital requirements.

The Entitlement Offer is comprised of:

- An accelerated institutional component to be conducted between 17 October 2018 and 18 October 2018 (Institutional Entitlement Offer); and
- A retail component which is anticipated to open on 24 October 2018 and close on 16 November 2018 (Retail Entitlement Offer).

The record date under the Entitlement Offer is 7.00pm (CSDST) on 19 October 2018 (Record Date). Entitlements are non-renounceable and accordingly cannot be traded on the ASX.

The Entitlement Offer is not underwritten and any shortfall shares will be placed by the Directors at their discretion subject to compliance with the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

The Offer Price of $1.30 per New Share under the Entitlement Offer represents a discount of 3.7% to $1.35, being the last closing price of Duxton shares before the announcement of the Entitlement Offer. The Offer Price also represents a discount of 6.6% to the 10 day VWAP ($1.3925) of Duxton shares before the announcement of the Entitlement Offer.

The New Shares to be issued will rank equally with existing Duxton shares on issue at the time of the allotment.

Institutional Entitlement Offer

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer which opens on 17 October 2018 and closes on 18 October 2018.

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders can choose to take up all, part or none of their Entitlement. New Shares in relation to Entitlements not taken up under the Institutional Entitlement Offer, or New Shares in relation to Entitlements that would otherwise have been offered to Ineligible Institutional Shareholders, will be offered to eligible institutional investors and other institutional investors at the Offer Price through a bookbuild process.

Duxton's largest shareholder, Duxton Vineyards (approximately 38% holding), has informed the Company that it will not take up its entitlement and the Company will seek to place some or all of this shortfall with new investors.

Duxton shares have been placed in a trading halt while the Institutional Entitlement Offer is undertaken. It is expected that the trading halt will end at market open on 19 October 2018.

New Shares under the Institutional Entitlement Offer are expected to be issued on 23 October 2018. The Company will, upon issue of the New Shares under the Institutional Entitlement Offer, seek quotation of the New Shares on the ASX.

Retail Entitlement Offer

Eligible Retail Shareholders with a registered address in Australia or New Zealand as at the Record Date (Eligible Retail Shareholders), have the opportunity to take up their entitlement of New Shares at the Offer Price, subject to the terms and conditions outlined in the Retail Offer Booklet sent to shareholders on or around 24 October 2018. The Retail Entitlement Offer is anticipated to close on 16 November 2018.

Eligible Retail Shareholders can choose to take up all, part or none of their Entitlements. Furthermore, the Retail Entitlement Offer will include a top up facility under which Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional shares in the Retail Entitlement Offer that were not taken up by other Eligible Retail Shareholders. There is no guarantee that applicants under the top up facility will receive all or any of the additional shares for which they apply.

New Shares under the Retail Entitlement Offer are expected to be issued on 26 November 2018. Duxton will, upon issue of the New Shares under the Retail Entitlement Offer, seek quotation of the New Shares on the ASX.

Please note that Shareholders with a registered address outside of Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer.

Key Dates

Event	Date
Announcement of the Entitlement Offer	17 October 2018
Institutional Entitlement Offer opens	17 October 2018
Institutional Entitlement Offer closes	18 October 2018
Shares recommence trading on the ASX on an "ex-entitlement" basis	19 October 2018
Record Date for the Entitlement Offer	19 October 2018
Settlement of New Shares issued under the Institutional Entitlement Offer	22 October 2018
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	23 October 2018
Retail Entitlement Offer opens	24 October 2018
Retail Offer Booklet despatched	24 October 2018
Retail Entitlement Offer closes (Retail Closing Date)	16 November 2018
Allotment of New Shares under the Retail Entitlement Offer	23 November 2018
New Shares issued under the Retail Entitlement Offer commence trading on the ASX	26 November 2018
Despatch to Shareholders of holding statements under the Retail Entitlement Offer	27 November 2018

All dates and times referred to are based on Australian Central Standard Daylight Saving Time and are subject to change. The Company reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

Further Information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Cowell Clarke is acting as legal adviser to Duxton Water Limited.

Bell Potter Securities have been appointed as lead manager of the Entitlement Offer.

Further details about the Entitlement Offer are contained in a separate investor presentation lodged with the ASX today.

Contacts

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

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