

Agreement to transfer water rights (286 litres per second)

Waimakariri Irrigation Limited (*WIL*) entered into a sale and purchase agreement with Claxby Irrigation Limited (*CIL*) to acquire surplus water take rights to use 286 litres per second of water from the Waimakariri river.

Settlement has occurred and WIL has paid the first of three instalments of the purchase price under the agreement. CIL's surplus water has been transferred and added to WIL's own resource consent to take water from the river.

The agreement anticipates that WIL will now make the surplus water available to its shareholders via the issue of new water shares. Further instalments of the purchase price are then calculated based on a percentage of the amount by which the achieved issue price of those shares exceeds a stipulated floor.

The remaining provisions of the agreement yet to be given effect to relate to the share issue and purchase price instalments.