

Special Talking Water

Monday 24 October 2016



Murray Irrigation

Expressions of interest open for water offer

The Murray Irrigation Board has agreed to commercialise a volume 12,000 megalitres (ML) by offering it to shareholders at a fixed price via expressions of interest.

The price will be \$49 per megalitre, which has been determined based on five days weighted average market trading price (14-20 October), with a discount applied.

The volume available will be offered to shareholders through an expression of interest (EOI) process, which opened at 5.00pm today, Monday 24 October.

EOIs must be received by 1.00pm Wednesday 2 November (this deadline was extended following customer feedback).

The offer is conditional on use within the Murray Irrigation footprint.

Attached to this special *Talking Water* is a frequently asked questions document and application form.

Details of the expression of interest process and the terms and conditions are available via the 'Company water offer' section of our website: www.murrayirrigation.com.au (link on home page).

Alternatively, customers can contact Customer Support on T. 1300 138 265.

Company water offer

Monday 24 October 2016



Frequently asked questions

This information sheet has been prepared to provide information about the offer of a volume of water to Murray Irrigation shareholders.

Murray Irrigation is aware there will be many more questions. For further details, see the 'Company water offer' section of our website: www.murrayirrigation.com.au, or contact Customer Support on T. 1300 138 265.

How much water is available?

The Murray Irrigation Board has agreed to commercialise a volume of 12,000 megalitres (ML) through a conditional offer to shareholders of the company via an expression of interest process.

Who is eligible to put in an expression of interest for the water?

The offer of this water is only available to Murray Irrigation shareholders for use in our footprint. Murray Irrigation is seeking to maximise the productive use of water in our region, therefore, the offer is only being made to shareholders of the company.

How do I submit an application?

The volume available will be offered to shareholders through an expression of interest process, opening at 5.00pm on Monday 24 October. The offer is conditional on use within the Murray Irrigation footprint.

Application forms, terms and conditions and details of the expression of interest process are available via the 'Company water offer' section of our website: www.murrayirrigation.com.au.

Applications must be received by the deadline of 1.00pm Wednesday 2 November. Applications will be accepted by fax or email.

What is the cost of the water?

The price will be \$49 per megalitre, which has been determined based on the previous five business days' weighted average market trading price from 14 to 20 October 2016, with a discount applied.

Can I trade the water once purchased?

As part of the conditional offer, the volume can only be used on-farm within Murray Irrigation's footprint.

Can the water be transferred between landholdings?

Yes - within the Murray Irrigation footprint only.

Can the water be carried over to next season?

From an account perspective, this volume will be treated in the same way as a temporary purchase. It is up to the individual to manage their own allocation and carryover accounts. If a participant has water remaining in their allocation account at the end of 2016/17, the usual carryover rules apply.

Will I be charged a transaction fee to access this water?

There will be no additional transaction fee on top of the \$49/ML associated with awarded volume, however, usage fees apply (i.e. usage fees associated with delivery of water to your landholding).

How will this affect allocations?

There will be no impact to announced allocations for members who apply for and are awarded a volume from this offer or to those who choose not to participate.

water offer



Monday 24 October 2016

When will the water be available?

Customer allocation accounts will be credited by Tuesday 15 November 2016 – pending the full purchase amount has been cleared by Murray Irrigation.

Where did the water come from?

Murray Irrigation has taken advantage of the wet conditions for early season operations, which has meant we have a volume of company water available over and above our operating needs. It is this volume that will be made available to shareholders through a mechanism that will improve the financial sustainability of the company and maximise usage within the system - without impacting customers' allocations.

Is this off allocation water?

No. Off allocation water is only available for use when there is announced access to off allocation flows. This volume is available from our company licence and can be used at any time during the season.

Why is the company making this offer for a price?

Through this offer, only available to shareholders for use in our footprint, the Board is seeking to maximise local water use and regional production, while also realising an acceptable return on a company asset and providing members with access to water at a discounted rate.

Will this offer become an annual occurrence?

The Murray Irrigation Board is reviewing a number of avenues to make the company more commercial to move towards a sustainable, breakeven financial position.

This particular volume of water is savings realised in this season, based on the current conditions.

Murray Irrigation will review its operational requirements regularly and make decisions relevant to circumstances.

What if the volume is not fully taken up by shareholders?

Murray Irrigation will assess the volume remaining, following the expression of interest deadline (Wednesday 2 November). The company will look at options in order to make a return on that asset.

What if shareholders apply for more than the volume available?

Murray Irrigation will review the applications and issue to applicants on a pro-rata basis. For example, if we receive applications for 24,000ML, applicants will receive 50 percent of their application.

If I am issued a volume, how will it impact my allocations?

This purchase is treated in the same way as a temporary trade and will have no impact on allocations. Temporary trades are not included in the total water use limit applied when carryover, plus allocations reach 110 percent.

According to DPI Water, allocations are expected to reach 100 percent by December in an average inflow condition year.

water offer



Monday 24 October 2016

Murray Irrigation reminds shareholders of the 'chances of improvement' outlook released by DPI Water on Monday 17 October.

NSW MURRAY Potential Inflow Conditions #		Forecast 1 Dec 2016 General Security Allocations*	Forecast 1 Mar 2017 General Security Allocations*
Current allocation	(99% inflows)	63%	63%
9 chances in 10 (very dry)	(90%)	65%	76%
3 chances in 4 (dry)	(75%)	72%	100%
1 chance in 2 (average)	(50%)	100%	100%
1 chance in 4 (wet)	(25%) ^{##}	100%	100%

* Licence holders can add individual carryover to the relevant percentage up to a maximum of 110% of entitlement.

Using all years of inflow records. ## Currently tracking wetter than this probability.

DPI Water's next water allocation statement is due on Tuesday 1 November. Murray Irrigation will pass this information on to customers as soon as possible Tuesday morning.

Murray Irrigation is aware there will be many more questions. As details are finalised, Murray Irrigation will update this information which can be accessed via www.murrayirrigation.com.au. Alternatively, customers can contact Customer Support on T. 1300 138 265.