

Featured Investment: Waterleau Group N.V. – Wastewater Treatment Plant, Marrakech, Morocco

In April 2010, Aqua Resources Fund Limited (“Aqua”) subscribed for five-year convertible bonds of Waterleau Group N.V. (“Waterleau”) for a total cash consideration of €20m.

Waterleau, based in Herent (Leuven), Belgium, is one of the world’s leaders in the anaerobic wastewater treatment sector via its subsidiary Biotim®, which it acquired in 2004. Waterleau is a one-stop-shop wastewater solution provider with over 1,500 references around the world with a complete portfolio of water, air and waste treatment as well as energy recovery applications.

Waterleau’s track record is well established in the wastewater sector, and it has built a global reputation with many industrial and municipal clients based on its experience with multinational companies worldwide.

**Waterleau is building the largest municipal Wastewater Treatment Plant (“WWTP”) in the Maghreb to date in Marrakech, Morocco**

Waterleau is heading a consortium comprised of three partners to expand Marrakech’s existing municipal WWTP. Waterleau is in charge of technical design and execution of the capacity extension, while its consortium partners, including SOTRADEMA, are responsible for the civil work.

The project is a phase 2 extension of an existing plant (primary treatment) with secondary and tertiary treatment.

To date, this is the first project of this size in the whole of Maghreb. Waterleau brings to the region a complete chain of technologies which have not yet been used there.



Consortium partners



Settlement tanks



Marrakech (Morocco) – Biotim® WWTP with energy production and water reuse

The €60m project is being financed by the Moroccan government, the RADEEMA (Régie Autonome de Distribution d'Eau et d'Electricité de Marrakech) and some private golf course owners.

The WWTP serves 1.1 million people and has a capacity of 100,000 m<sup>3</sup>/day. The process achieves sufficient nutrient removal through filtration and disinfection to allow efficient water reuse, with approximately 90% of the water suitable for reuse. The treated water is used for the irrigation of the municipality's public green spaces as well as several golf courses located in Marrakech's Palmeraie.



Royal golf club



Clarifier



Rake arm

Electricity production from the WWTP itself is expected to be 1.6 MWe, which represents approximately 50 percent of the plant's electricity needs. The biogas produced from the anaerobic digestion process of the sludge generates electricity (there is an average 150 tons of sludge treated daily). Furthermore, Waterleau provides an air treatment solution to reduce the odour nuisance for the inhabitants of the plant's neighbouring surroundings.

Waterleau has also recently secured additional revenues from the WWTP via a 10-year, €30m, operation and maintenance ("O&M") contract.

The extended plant is scheduled to start operations in the first half of 2011.

In parallel, Waterleau has signed a €60m contract for a WWTP in Fes, Morocco. RADEEF (Régie Autonome de Distribution d'Eau et d'Electricité de la ville de Fès) is commissioning a plant to serve 1.3 million people, with a capacity of 160.000 m<sup>3</sup>/day. The plant itself is expected to produce 2.75 MWe or 50 percent of its electricity needs. Alongside this contract, Waterleau has won a €35m 10-year O&M contract for the Fes plant.

**About FourWinds Capital Management (Aqua's investment manager)**

FourWinds is a specialist in global commodities and natural resources with products investing across energy, metals, agriculture, timber, water, waste, and alternative energy.

FourWinds Capital Management (UK) Ltd.  
105 Wigmore Street, London W1U 1QY  
United Kingdom  
Tel: + 44 20 7518 7970

FourWinds Capital Management (HK) Ltd.  
Level 8, Two Exchange Square  
8 Connaught Place, Central, Hong Kong  
Tel: + 852 2297 2475

Website: [www.FourWindsCM.com](http://www.FourWindsCM.com)

Email: [info@fourwindscm.com](mailto:info@fourwindscm.com)

**About the Fund**

Aqua Resources Fund Limited is an LSE-listed investment fund (H2O) managed by FourWinds Capital Management, investing in the full value chain of global water. The strategy combines direct investments in projects, companies, and infrastructure across water-related business areas. [www.AquaResourcesFund.com](http://www.AquaResourcesFund.com)

**Fundamentals of Aqua Resources Fund**

Listing date:	24 <sup>th</sup> July 2008
Ordinary shares outstanding:	72,464,340
Latest audited NAV (31/12/2009):	EUR 1.0219
Latest unaudited NAV (30/09/2010):	EUR 0.9010
YoY audited NAV performance (2008 - 2009):	+ 6.9%
Number of investments/continents:	5 / 3
Total invested/committed:	EUR 55.8 million (86% of portfolio)

This document has been prepared by and is published by FourWinds Capital Management ("FWCM") on behalf of Aqua Resources Fund Limited (the "Company") for information purposes only. This document does not constitute a recommendation regarding any securities of the Company. This document does not constitute or form part of, and nor should it be construed as, any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of the Company in any jurisdiction, including the United States, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever in any jurisdiction, including the United States. This document, and the information contained herein, is not for viewing, release, distribution or publication into or in the United States or any other jurisdiction where applicable laws prohibit its release, distribution or publication. The information contained in this document is derived from sources that are considered reliable by FWCM. All opinions and estimates in this document are based on the opinion of FWCM. The information in this document may be subject to updating, revision, verification and amendment and such information may change materially. Neither the Company, FWCM, nor any other person (including, without limitation, any of the respective affiliates, directors, officers, employees, partners, agents, representatives, members or advisers of any of the aforementioned persons) is under an obligation to update or keep current the information contained in this document and any opinion expressed in it is subject to change without notice. It is up to investors to make their own investment decisions in the light of their own financial circumstances and investment aims and taking account of any laws and/or regulations that apply to them. The past performance of a product or company is by no means a guarantee of future results and the value of investments may increase or decrease. An investment in the Company is speculative and involves a substantial degree of risk, including the risk of total loss. Investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. No reliance may be placed for any purpose whatsoever on the information contained in this document or on its accuracy, fairness, correctness or completeness. Neither FWCM nor the Company will be held liable for any direct or indirect damage or loss resulting from the use of this document. This document is the confidential property of FWCM and the contents of this document may be reproduced only with the prior written agreement of FWCM. Certain information contained in this document constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "would", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or actual performance may differ materially from those reflected in such forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Each of the Company and FCWM (i) disclaim any obligation to update their view of such risks and uncertainties, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law or regulation and (ii) disclaim any liability for any failure to meet forecasts, projections or targets. Forward-looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will necessarily continue in the future. No reliance should be placed on forward-looking statements, which speak only as of the date of this document. Forecasts, projections or targets are indicative only and not guaranteed in any way. Further, any such forward looking statements shall not be construed as budgets.