

## Regulatory Announcement

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<b>Company</b>	<a href="#">Aqua Resources Fund</a>
<b>TIDM</b>	H2O
<b>Headline</b>	Admission to the Official List
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Aqua Resources Fund Limited  
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### **Aqua Resources Fund Limited ("Aqua" or the "Company")**

#### **Admission to the Official List of the UK Listing Authority**

#### **First Day of Dealing on the London Stock Exchange's main market for listed securities**

The Directors of Aqua announce the Company's admission to the Official List of the UK Listing Authority and dealings on the London Stock Exchange's main market for listed securities, following a placing of 62,064,340 new ordinary shares at €1 per share, raising equity capital of approximately \$100 million or €60.045 million after expenses.

Aqua Resources Fund Limited is a new Guernsey domiciled, closed ended investment company established to provide capital appreciation through a diversified exposure to a global portfolio of water-related investments. The Company is managed by FourWinds Capital Management (the "Manager").

The Company will invest in a diverse range of water-related segments including infrastructure, technology, recycling and treatment and in water-related projects such as waste water treatment, water distribution and infrastructure, water-to-energy, clean water, desalination, and others.

Trading in the Company's ordinary shares on the London Stock Exchange will commence this morning, with ticker symbol H2O.L.

Hasan Askari, Chairman, commented:

*"We are delighted to be the first Company listed in London dedicated to water-related investments on a global basis. Water is, arguably, the most fundamental of all natural resources and notwithstanding our current preoccupation with fossil fuels is the next and, possibly, the biggest ever resource challenge that confronts us. Aqua Resources seeks, in its own way, to meet this challenge by investing in water companies and projects so as to capitalise on the economic benefits that will arise from being a pioneering investor in this scarce resource."*

Further enquiries:

**FourWinds Capital Management, Investment Manager and Co-Placing Agent**

Kimberly Tara  
Marc de Hennin  
Andrew Nason  
(info@fourwindscm.com)

**Landsbanki Securities (UK) Limited, Sponsor and Placing Agent**

Paul Fincham  
Jonathan Becher  
Robert Naylor  
Tel: +44 (0) 20 7426 9000

**Citigate Dewe Rogerson, Financial PR Adviser**

Kevin Smith  
Tel: +44 (0) 20 7638 9571

**Investment objective and strategy**

The Company's investment objective is to provide capital appreciation through exposure to a diversified portfolio of water-related investments.

The Company is targeting investments with an average estimated internal rate of return in excess of 15 per cent. Investment (or commitment) is expected to be substantially completed (i.e. 80 to 85 per cent.) within 12 to 18 months of the initial Admission of shares

FourWinds Capital Management has been appointed the Manager of the Company with responsibility for the discretionary management of the Company's assets.

The Manager will seek to accomplish the Company's investment objective and policy by:

- seeking exposure to water-related investments on a global basis;
- seeking portfolio diversification by investing across the broad value chain of water-related projects and investments; and
- seeking to control risk through such portfolio diversification, investment vehicle selection and implementation of risk control strategies.

No assurance can be given, however, that the Company will achieve its investment objective, and investment results may vary substantially over time and from period to period.

The Company's assets will comprise a portfolio of investments that offer water-related returns in different jurisdictions and water sectors. Investments may be made within a diverse range of water-related segments including infrastructure, technology, recycling and treatment and in

water-related projects such as waste water treatment, water distribution and infrastructure, water-to-energy, clean water, desalination, and others. Investments will be sought in relation to both front-end and back-end water businesses and opportunities and demand and supply side opportunities. Investment will comprise primarily direct stakes in unquoted water-related companies and projects. A target threshold of at least 60 per cent. water-related activity will be set for an investment to be considered "water-related".

Using global research and sourcing, the strategy is intended to allow the Company to build an optimised water portfolio focused on investments that offer water-related returns and diversified by factors such as geography, water sector, investment type, investment size, and investment structure. In certain cases, investments may have broader applicability and possibility for regional or global scalability.

### **Competitive strengths**

The team at the Manager is experienced in water-related investments, global direct investment, private equity, project finance, and mergers and acquisitions. The Manager currently works exclusively in the commodities and natural resource-related real assets sectors. The Manager sources, evaluates and executes global transactions; conducts research; designs customised risk management tools; and structures portfolios specific to the particular characteristics of natural resources.

The strategy of direct investment, combining water-related companies and projects on a global level, is designed to offer returns linked to global water supply and demand. This strategy can be clearly distinguished from many water investment portfolios which are limited to public equity investments.

On Admission, the Manager will own 3,850,000 shares in the capital of the Company. By virtue of this holding and the performance fee payable to the Manager by the Company, the Directors believe that there should be a strong alignment of economic interest between the Manager and Shareholders.

### **Directors**

The Directors are responsible for the determination of the investment policy and strategy of the Company and have overall responsibility for the Company's activities. The Directors are Hasan Askari (Chairman), Andrea Rossi, Timothy Betley and Kimberly Tara. All of the Directors are non-executive directors and the majority of the Directors are independent of the Manager. Kimberly Tara, as an officer, employee and shareholder of the Manager, is treated as being non-independent.

### **The Manager**

The Manager is a Cayman Island exempted company with offices in Boston, London, Hong Kong and Geneva and subsidiaries in the UK and the United States.

The Manager focuses on the development of, and risk management of, investment vehicles for commodities and real assets. The Manager currently also manages the Zephyr Commodity Fund, the Phaunos Timber Fund Limited and the Ceres Agriculture Fund Limited.

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Further, this announcement is not an offer for sale of, or a solicitation to purchase or subscribe for, any securities in the United States. The Company has not, and will not be, registered under the Investment Company Act of 1940, as amended. In addition, the offer, issue and sale of the shares in the capital of the Company have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any State or other jurisdiction of the United States. Accordingly, the shares in the capital of the Company are only being offered and sold outside the United States to non-US persons in reliance on the exemption from registration provided by Regulation S under the Securities Act ("Regulation S"). The shares in the capital of the Company may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, in or into the United States, or to or for the account or benefit of any US person (as defined in Regulation S).

Copies of the Prospectus may, subject to any applicable law, be obtained at no cost from the Company's registered office or from the Document Viewing Facility, UK Listing Authority, The Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS.

#### *Forward-looking statements*

This announcement contains "forward-looking" statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and its consolidated subsidiaries and subsidiary undertakings ("Aqua") and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of

the Directors or Aqua concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of Aqua and the industry in which it operates.

These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Aqua. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this document. The Company and Landsbanki expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules of the FSA.

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