



LOWER MURRAY WATER

Water Trading Strategy 2016/17

Lower Murray Urban and Rural Water Corporation holds an Urban Bulk Entitlements and Water Shares of 32,866ML. On an annual basis water allocations are derived from this entitlement and shares.

In this season currently there has been a sub 100% seasonal determination made by the Victorian Water Resource provider.

On current predications the Corporation estimates usage in the range of 18,000 to 22,000ML for the provision of water to urban customers in its region of operation for 2016/17.

The Corporation intends to trade its resultant surplus of allocation, making between 6,000ML and 10,000ML of allocation available for trade in the first instance. Determination of the market price for selling this allocation shall be guided by the Victorian Water Register which records allocation trade prices and trends.

The Corporation intends to place this volume into the market in the period between July 2016 and June 2017 via a preferred water broker.

Once up to 10,000 ML has traded the Corporations' trading strategy will be revised taking into consideration usage levels, allocations and trading prices.

Updated:

The Lower Murray Board at their February 2017 Meeting increased the volume of allocation to be traded in the 16/17 season to a maximum of 12,000ML

Updated:

The Lower Murray Board at their May 2017 Meeting increased the volume of allocation to be traded in the 16/17 season to a maximum of 16,250ML