

11 December, 2017

Dear Customer

**RE: Expect to receive an offer to take over the distribution system in the New Year**

I am pleased to report that your Transition Board has completed negotiations in relation to the St George distribution channels and is confident that final agreement can be reached with the Government before the end of the year. Once that is finalised each channel customer, with a water allocation, will receive an offer setting out the proposed terms of the transition to local management.

The Board was hopeful the offer would be posted to you this month but the Queensland election has led to some delay. We now anticipate that the offer will be distributed toward the end of January.

As is required for a transaction of this nature, the offer you will receive is a lengthy legal document. In essence, however, customers who hold a water allocation, and are supplied water via the channel system will be asked if they support a move to local management under the terms of the offer, and secondly, if they wish to become a member of Mallowa Irrigation Limited.

Once the offer is distributed, we will hold an information session to discuss the offer and the implications of local management.

Local management will only proceed if customers representing 70% of the water allocation (by volume) accept the offer and customers representing 50% of the water allocation (also by volume) agree to become members of Mallowa Irrigation. If customers reject the offer then the scheme will remain with SunWater.

You will hear from us again with details of the information session once the date for the release of the offer has been confirmed. If you would like further information please contact me on 0409 692 404 or any of the board members listed below. In the meantime we wish you and your families a safe and happy Christmas,

Yours sincerely

Luke Stower

Chair

**Mallowa Irrigation Limited transition board members**

David Moon	0427 255 143
Glen Price	0429 169 676
Ross Landsberg	0412 737 472
Scott Armstrong	0418 721 444