

20 September 2007

Level 4, 70 Shortland Street  
Auckland New Zealand  
P O Box 221 Shortland Street  
Auckland New Zealand  
Direct Dial: +64 9 379 8011  
Facsimile: +64 9 309 1910  
Website: www.jwi.co.nz

Dear Shareholder,

You will recall that last year the directors of Just Water International Limited "JWI" announced that they were considering the possibility of a dividend reinvestment plan for shareholders who desired an increased shareholding as an alternative to receiving cash dividends.

The directors believe that it is now appropriate to offer the option of participating in this programme, so that shareholders are able to accept the already announced dividend either as shares, or in cash as previously.

The Dividend Reinvestment Plan the "Plan" provides shareholders with the opportunity to reinvest dividends into JWI shares at the weighted average sale price for all JWI's ordinary shares sold on the NZAX on the ten business days before the date used for determining entitlement to a dividend. This enables you to acquire additional shares in JWI without the payment of brokerage, commissions or other transaction costs. As shares will be issued to you in lieu of your dividend, there is no paperwork involved once you have made the election. You will still be required to account for the dividend, and receive the benefits of any imputation credits, in your tax return.

You can choose to join for all or part of your shareholding and you can suspend your involvement in the Plan at any time by notifying our share registrar, Link Market Services, of your new election requirements. This can be sent by fax to (03) 308-1311.

We have enclosed an Offer Document which explains more fully the terms and conditions of the Plan.

If you wish to participate you should complete the Election Notice. Detailed instructions for completing the Election Notice are included in the Offer Document.

For your information, The Harvard Group Limited, the vehicle for the family shareholding of our Chief Executive, Tony Falkenstein, will be taking up its full entitlement in this Dividend Reinvestment Plan on the 40 million shares it holds.

If you have any questions concerning this document, you should consult your financial or legal adviser urgently, as the closing date for acceptance for the current dividend is 28 September 2007.

On behalf of the board of directors



Jim McLay  
Chairman

# Just Water International Limited

## ELECTION NOTICE IN RESPECT OF

### Just Water International Limited - Dividend Reinvestment Plan

This document is valuable. Do not complete this form until you have read the accompanying Dividend Reinvestment Plan ("Plan") document dated 13 September 2007. If you are in doubt as to its use, you are advised to consult your share broker, bank manager, solicitor, accountant or other financial advisor immediately.

NAME AND ADDRESS

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DESCRIPTION OF SHARES

**ORDINARY**

HOLDER No

SHARES

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REGISTERED HOLDER(S)

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#### IMPORTANT

Please complete and return this form if you wish to participate in the Plan in full or in part.

#### STEP 1: CHECK DETAILS

If the above details are incorrect, please amend them and sign here: \_\_\_\_\_

#### STEP 2: CHOOSE ONE ALTERNATIVE

I/We elect to participate in the Plan at the level of participation nominated below, and, accordingly, elect to invest my/our cash dividends on participating shares in fully paid ordinary shares.

Either: (please *tick one*)

Full Participation — include all fully paid ordinary shares registered in my/our name(s).

Partial Participation - include \_\_\_\_\_ fully paid ordinary shares registered in my/our name(s), plus all new shares allotted under the Plan. (NB: if you do not complete the above in relation to partial participation, your application will be deemed to be full participation.)

#### STEP 3: SIGN NOTICE

I/We agree to be bound by the terms and conditions of the Plan as set out in the Plan document received and read by me/us. I/We hereby revoke any previous Election Notice. This Election Notice is not valid unless duly completed and signed.

Signature(s): \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20

#### HOW TO SIGN THIS ELECTION NOTICE:

Individual shareholder: Sign personally or by attorney

Joint shareholders: All shareholders must sign.

Companies: By an authorised officer, attorney or two directors.

Trusts: Trustees must sign personally or by attorney.

Power of attorney: If signed by attorney the power of attorney must accompany the Election Notice (if it has not previously been produced to the Company for this purpose), and the certificate of non-revocation of power of attorney on the reverse of this Election Notice must be completed.

**After Completion, please mail, or fax to: (03) 308 1311**

**STEP 4: RETURN NOTICE**

Return the completed Election Notice so that the Share Registry receives it before the next Record Date for a cash dividend payment.

**INSTRUCTIONS**

If you wish to participate in the Plan for the next Just Water International Limited (the "Company") cash dividend, please complete and return this Election Notice on the reverse side as soon as possible. An Election Notice will only take effect from the next Record Date following receipt by the share registry of such election.

Participation applies automatically to all subsequent cash dividends until written notice of termination is received by the Company's share registry and is effective. If you do not wish to participate, then do nothing.

**FULL PARTICIPATION**

If you wish to participate in the Plan in respect of your total holding of fully paid ordinary shares in the Company, please place a tick beside Alternative A, sign the Election Notice and forward it to the Company's share registry. Full Participation means that all ordinary shares issued pursuant to the Plan in the future will also participate in the Plan.

**PARTIAL PARTICIPATION**

If you wish to participate in the Plan only in respect of some of your fully paid ordinary shares, please place a tick beside Alternative B, write the number of ordinary shares that you wish to participate in the Plan in the space provided, sign the Election Notice and forward it to the Company's share registry. Partial participation means that all ordinary shares issued pursuant to the Plan in the future will also participate in the Plan.

**MODIFICATION OF PARTICIPATION**

If in the future you wish to modify your participation in the Plan, forward a Notice of Variation/Withdrawal as included in the Dividend Reinvestment Plan booklet or found online on the Company's website at [www.jwi.co.nz](http://www.jwi.co.nz) advising the number of Ordinary Shares you wish to participate in the Plan to the Company's share registry at the address below. Where you are a joint holder ensure that all other joint holders sign the Notice. Any previous Election Notice or Notice of Variation will then be automatically cancelled. Participation in the Plan will be determined at the time of the Record Date for a dividend payment by reference to the last received Election Notice or Notice of Variation of each shareholder.

**TERMINATION OF PARTICIPATION**

If you elect to participate in the Plan, but subsequently wish to terminate your participation, simply forward a correctly completed Notice of Variation/Withdrawal to the Company's share registry at the address below advising that you wish to terminate your participation. Where you are a joint holder ensure that all other joint holders sign the Notice.

**ADDRESS**

Your completed Election Notice to participate in the Plan or Notice of Variation should be posted or faxed to:

Just Water International Limited  
c/- Link Market Services  
PO Box 384  
Ashburton 7740  
New Zealand  
Fax: (03) 308 1311

**COMPLETE ONLY IF ATTORNEY SIGNS**

**CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY**

I, \_\_\_\_\_  
of \_\_\_\_\_

hereby certify:

1. That I am the Attorney of \_\_\_\_\_ under and by virtue of a Power of Attorney dated the \_\_\_\_\_ day of \_\_\_\_\_ given to me by him/her/them.
2. That I have executed the Election Notice printed on this document as Attorney under this Power or Attorney and pursuant to the power conferred upon me.
3. That I have not received any notice of information of the revocation of Power of Attorney by death or otherwise, and I believe the same to be in full force and effect.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

# **Just Water International Limited**

## **Dividend Reinvestment Plan**

**Offer Document**

13 September 2007

# KEY FEATURES OF THE PLAN

## SHARES INSTEAD OF DIVIDENDS

The Just Water International Limited Dividend Reinvestment Plan (the **Plan**) provides holders of ordinary shares in Just Water International Limited (**Company**) with the option of receiving fully paid ordinary shares (**Additional Shares**) in lieu of some or all of the cash dividends paid by the Company. Shareholders who do not elect to participate in the Plan will receive cash dividends that are paid by the Company.

## COMMENCEMENT OF THE PLAN

The Plan is available effective from the next dividend, which has a Record Date of Friday 28th September 2007 and is payable Friday 5th October 2007.

## ELIGIBILITY AND PARTICIPATION

All holders of ordinary shares in the Company are eligible to participate in the Plan. Participation is optional and Shareholders may elect either full or partial participation in the Plan.

## SHARES ISSUED AT MARKET PRICE

Under the Plan, the number of Additional Shares to be allocated in respect of a dividend payment will be determined by applying a formula which will mean that the Additional Shares will be allocated at the market price at the time specified in the formula, unless the Board determines otherwise. No brokerage costs will be charged or incurred in respect of the issue of Additional Shares.

## SHARES RANK EQUALLY

Additional Shares issued under the Plan will be fully paid and rank equally in all respects with existing ordinary shares in the Company and may be sold at any time.

## TO PARTICIPATE IN THE PLAN YOU MUST

1. Complete an Election Notice; and
2. Lodge your Election Notice with the Company's Share Registrar.

***This document should be read carefully. If you are in doubt as to its effect, you should consult your share broker, solicitor, accountant or other professional adviser immediately.***

# DIVIDEND REINVESTMENT PLAN OFFER DOCUMENT

This Offer Document complies with the Securities Act (Dividend Reinvestment) Exemption Notice 1998 is dated 13 September 2007 and applies in respect of the dividend reinvestment plan of the Company. As a result of that Exemption Notice, no prospectus or investment statement is required in respect of the Plan.

Pursuant to the Plan, holders of ordinary shares in the Company can elect to forego their entitlement to cash dividends of the Company on some or all ordinary shares in the Company held by them, and to receive instead Additional Shares. The terms of the Plan (**Terms**) are set out below and are binding on the participating shareholders. The Terms comply with the applicable provisions of the listing requirements of the NZX.

## TERMS

### 1. Participation in the Plan

- a) Participation in the Plan is optional and is, subject to clauses 14 and 15, open to all shareholders. Subject to the Terms, participation in the Plan may be commenced, varied or terminated by a shareholder at any time.
- b) Ordinary shares in the Company which are not eligible for cash dividends for any reason will not be entitled to participate in the Plan until they become eligible for such dividends.
- c) A shareholder is responsible for obtaining any government or regulatory approvals and consents necessary for that shareholder to participate in the Plan and to acquire the Additional Shares.

### 2. Election Notice

A shareholder may elect to participate in the Plan at any time by completing the Election Notice which accompanies this Offer Document and forwarding it to the Share Registrar. Participation in the Plan will commence in respect of that shareholder from the first Record Date after receipt of a correctly completed Election Notice by the Share Register subject to any termination or suspension of the Plan.

### 3. Degree of participation

- a) A shareholder may elect either full or partial participation in the Plan by:
  - i ticking the "Full Participation" box in the Election Notice; or
  - ii ticking the "Partial Participation" box in the Election Notice and specifying the number of shares in the box provided which that shareholder wishes to be subject to the Plan. If on a Record Date the number of shares held by such a shareholder (as recorded in the Register) is less than the nominated number of shares, then the provisions of this Plan will apply to such lesser number of shares.
- b) If a shareholder ticks the "Full Participation" box in the Election Notice then, subject to clauses 10(a)(i) and (ii), these Terms will apply to all the cash dividends payable in respect of all the shares from time to time registered in that shareholder's name until such time as that shareholder:
  - i notifies the Share Registrar that he, she or it elects to partially participate in the Plan in accordance with clause 9;
  - ii terminates his, her or its participation in the Plan in accordance with clause 8; or
  - iii disposes of his, her or its total shareholding in the Company.
- c) If a shareholder ticks the "Partial Participation" box in the Election Notice then, subject to clauses 3(a)(ii) and 10(a)(i) and (ii), these Terms will apply to all the cash dividends payable in respect of the nominated shares until such time as that shareholder:
  - i notifies the Share Registrar in writing of a variation to the number of nominated shares in accordance with clause 9;
  - ii terminates his, her or its participation in the Plan in accordance with clause 8; or
  - iii disposes of his, her or its total shareholding in the Company.
- d) Where a participating shareholder who has elected partial participation disposes of part of his, her or its shares without giving the Share Registrar a duly completed Notice of Variation/Withdrawal, the shares disposed of will be deemed to be shares not participating in the Plan. If the number of shares disposed of is more than the number of non-participating shares held by the participating shareholder, the disposal will be deemed to include all such non-participating shares and the balance shall be attributed to participating shares.

- e) If the Election Notice does not indicate the degree of participation, it will be deemed to be an application for full participation provided it is otherwise correctly completed and signed.
- f) An Election Notice is personal to the shareholder giving it and does not attach to the shares held by the shareholder at the time the Election Notice was given. This means that participating shares will cease to participate upon transfer and a transferee of those shares will need to make a fresh election in respect of those shares if he, she or it wishes those shares to participate in the Plan.

#### 4. Operation of the Plan

- a) By signing and returning the Election Notice to the Share Registrar, each participating shareholder agrees to forego their entitlement to cash dividends of the Company on the ordinary shares in the Company held by them as at the relevant Record Date which they have advised are to be subject to the Plan, and to receive instead fully paid ordinary shares in the Company in accordance with the Plan.
- b) Each shareholder's participation in the Plan shall continue as set out in clause 3 but shall not apply at any time while the Plan has been suspended or terminated in accordance with clause 10.
- c) The number of Additional Shares to be issued to a participating shareholder pursuant to the Plan shall be determined in accordance with clause 5 of these Terms.
- d) The Board will, on the day specified by the Board as the day on which the cash dividend is payable to shareholders who have not elected to participate in the Plan, issue new ordinary shares in the Company (being the Additional Shares) to each participating shareholder who was a participating shareholder at the relevant Record Date in accordance with clause 5.
- e) Additional Shares issued to a participating shareholder under the Plan will, from the date of allotment, rank equally in all respects with all other fully paid ordinary shares in the Company.

#### 5. Calculation of Additional Shares

- a) The number of Additional Shares to be issued to a participating shareholder under the Plan will be calculated in accordance with the following formula:

$$\frac{N \times D}{P}$$

Where:

- N** is the number of shares held by the participating shareholder which are participating in the Plan.
- D** is the amount (expressed in cents) of the cash dividend (less any withholding taxes which may be payable by the Company on that amount and excluding any applicable imputation credits) which, but for the participating shareholder electing to participate in the Plan, would be payable in respect of each share registered in the name of the participating shareholder at the relevant Record Date.
- P** is the weighted average sale price for all the Company's ordinary shares (expressed in cents and decimals of cents) sold on the NZAX on the ten Business Days before the relevant Record Date. If no sales of ordinary shares in the Company occur on those ten Business Days, then the weighted average sale price will be the last reported sale price for a share on the NZAX. Any weighted average sale price may be discounted at the discretion of the Board in accordance with clause 10(a)(v).
- b) If, in the opinion of the Board, any unusual factors (including, without limitation, any bonus issue, dividend or other distribution expectation) have affected the sale price of the Company's ordinary shares, the Board may make such adjustments to the weighted average sale price as it considers necessary to determine a sale price which is not affected by any such factors.
- c) The determination by the Board of the weighted average sale price under clauses 5(a) and (b) is final and binding on all shareholders.
- d) Where the number of Additional Shares calculated in accordance with the above formula includes a fraction of an Additional Share, then the number of Additional Shares to be issued to a participating shareholder will be rounded up to the nearest whole number.

**6. Statements**

- a) Where Additional Shares have been issued to participating shareholders under the Plan in respect of any cash dividend, the Company will, within 20 Business Days of such Additional Shares being issued, send to each participating shareholder a statement detailing in respect of that participating shareholder:
- i the number of shares held by the participating shareholder as at the relevant Record Date;
  - ii the number of participating shares at the relevant Record Date;
  - iii the number of Additional Shares issued to the participating shareholder under the Plan;
  - iv the amount of the cash dividend paid in respect of non-participating shares (if applicable);
  - v the amount of any tax deductions;
  - vi advice as to the amount of any imputation credits; and
  - vii any further details that the Board considers relevant.

**7. Costs to Participating Shareholders**

No brokerage, commissions or other transaction costs will be payable by a participating shareholder in respect of the issue of Additional Shares under the Plan.

**8. Termination of participation in the Plan**

- a) A participating shareholder may at any time terminate his, her or its participation in the Plan by delivering a duly completed Notice of Variation/Withdrawal to the Share Registrar in the form enclosed with this Offer Document and available on the Company's website, [www.jwi.co.nz](http://www.jwi.co.nz)
- b) Any termination of participation in the Plan in accordance with clause 8(a) will take effect from the next Record Date after the date of receipt of such notice by the Share Registrar.
- c) If a participating shareholder is an individual and dies, participation by that person will be terminated upon receipt by the Share Registrar of notice of death in a form acceptable to the Board. Where shares participating in the Plan are held jointly death of one or more participating shareholders will not automatically terminate participation in the Plan.

**9. Variation of participation in the Plan**

- a) A participating shareholder may at any time increase or decrease the number of shares which that participating shareholder has nominated to participate in the Plan by delivering a duly completed Notice of Variation/Withdrawal to the Share Registrar in the form enclosed with this Offer Document and available on the Company's website, [www.jwi.co.nz](http://www.jwi.co.nz)
- b) Any variation of participation in the Plan in accordance with clause 9(a) will take effect from the next Record Date after the date of receipt of such notice by the Share Registrar.
- c) If a participating shareholder varies the number of shares participating in the Plan, the Notice of Variation/Withdrawal shall have the effect of amending that shareholder's existing Election Notice, which, subject to the changes contained in the Notice of Variation/Withdrawal, shall continue in full force and effect.

**10. Board discretion**

- a) The Board may from time to time and in its sole discretion resolve:
- i that the Plan be suspended until such time as the Board resolves to recommence or terminate the Plan;
  - ii that the Plan be terminated;
  - iii to recommence the Plan on such terms and conditions as the Board thinks fit if the Board has previously suspended the Plan pursuant to clause 10(a)(i);
  - iv that the Terms of the Plan be modified. If the Plan is modified then an Election Notice shall be deemed to be an Election Notice under the Plan as modified;
  - v that the price at which the Additional Shares are to be issued under the Plan shall contain a discount to the weighted average sale price;
  - vi that participation in the Plan will not apply to the whole or a part of any cash dividend and that the applicable part will be paid out in cash and not be issued as Additional Shares;
  - vii that an Election Notice shall cease to be of any effect;
  - viii any dispute concerning the Plan.

b) Any modification, suspension or termination of the Plan shall take effect upon the date specified by the Board. Notice of any modification, suspension or termination of the Plan (including any proposed discount to the volume weighted average sale price) shall be given to all shareholders. Where the Board deems it appropriate, notification may be by way of announcement through the NZX. The accidental omission to give notice of any modification, suspension or termination of the Plan to any shareholders or the non-receipt of any notice by any shareholder shall not invalidate the modification, suspension or termination of the Plan. If the Plan is modified, participation in the Plan shall be participation in the Plan as modified unless the participating shareholder terminates his, her or its participation in accordance with clauses 8 of these Terms.

#### **11. No inside information**

At the time the price for the Additional Shares is set under clause 5, the Company will ensure that it has no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Additional Shares if the information were publicly available.

#### **12. Election Notices effective**

An Election Notice, Notice of Variation/Withdrawal or other notice received by the Share Registrar after a Record Date will not be effective in respect of any dividend payable by reference to that Record Date. However, that notice will be effective from the next Record Date.

#### **13. Annual report and financial statements**

Copies of the Company's most recent annual report and financial statements complying with the Financial Reporting Act 1993 may be obtained free of charge on request from:

Just Water International Limited  
PO Box 221  
Shortland Street  
Auckland  
New Zealand

Phone: (09) 379-2720  
Fax: (09) 379-8587  
Website: [www.jwi.co.nz](http://www.jwi.co.nz)

#### **14. Tax effect of Plan**

Neither the Company nor any of its officers, employees or advisers takes responsibility for any taxation liability which may arise as a consequence of participation in the Plan. Specific tax advice should be obtained by shareholders. Neither the Company nor any of its officers, employees or advisers accepts responsibility for the accuracy or correctness of any information as to tax liability.

#### **15. Overseas Shareholders**

Shareholders in overseas jurisdictions other than Australia may not be eligible to participate in the Plan because of taxation or legal constraints that apply in their country of residence. Such shareholders should first seek professional advice before electing to participate in the Plan. It is the responsibility of each shareholder to obtain any such advice. Neither the Company nor any of its officers, employees or advisers accepts any responsibility to determine whether a shareholder is able to participate in the Plan.

#### **16. Stock Exchange Quotation**

The Additional Shares issued under the Plan have been accepted for listing by NZX and will be quoted on the NZAX upon completion of allotment procedures. However, NZX accepts no responsibility for any statement in this Offer Document.

#### **18. Governing Law**

The Plan and its operation and the Terms shall be governed by the laws of New Zealand.

## 19. Definitions

In these terms and conditions, unless the context otherwise requires:

- **Additional Shares** mean fully paid ordinary shares (ranking equally with all other fully paid ordinary shares) issued to participating shareholders pursuant to the Plan;
- **Board** means the board of directors of the Company;
- **Business Day** means a day on which NZAX is open for trading;
- **Company** means Just Water International Limited;
- **Election Notice** means a Dividend Reinvestment Plan election notice in the form enclosed with this Offer Document, or such other form as the Board may determine from time to time;
- **Notice of Variation/Withdrawal** means a Dividend Reinvestment Plan notice of variation/withdrawal in the form enclosed with this Offer Document or such other form as the Board may determine from time to time;
- **NZX** means New Zealand Exchange Limited and its successors and assigns and any duly authorised delegate of NZX (including NZX Discipline);
- **Offer Document** means this offer document;
- **NZAX** means the main board equity security market operated by NZX;
- **Participating Shareholder** means a shareholder who has completed and delivered to the Share Registrar an Election Notice (and who has not terminated their participation in the Plan in accordance with the Terms);
- **Plan** means the Just Water International Limited Dividend Reinvestment Plan established by the Board on the terms and conditions set out in this Offer Document, as amended from time to time. "Dividend Reinvestment Plan" shall have the same meaning;
- **Record Date** means a date fixed by the Board for determining the entitlement of shareholders to a dividend;
- **Register** means the share register of the Company required to be kept under section 87 of the Companies Act 1993;
- **Shareholder** means a registered holder of shares in Just Water International Limited;
- **Share Registrar** means Link Market Services, PO Box 384, Ashburton 7740 or such other person as the Board may specify from time to time;
- **Shares** mean ordinary shares in Just Water International Limited which are eligible to participate in cash dividends authorised by the Board; and
- **Terms** means the terms and conditions of the Plan, as set out in this Offer Document, as amended from time to time.

## 20. Interpretation

In these Terms, unless the contrary intention appears:

- a) the singular includes the plural and vice versa;
- b) reference to monetary sums are reference to New Zealand dollars unless otherwise stated;
- c) headings are inserted for convenience only and shall be ignored in construing these Terms; and
- d) references to clauses are to clauses of these Terms.

# Just Water International Limited

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## DIVIDEND REINVESTMENT PLAN NOTICE OF VARIATION / WITHDRAWAL

To: The Directors  
Just Water International Limited  
c/- Link Market Services  
PO Box 384  
Ashburton 7740

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Name(s):

Address(es):

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Shareholder number:

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I/We wish to make the following change to my/our participation in the Just Water International Limited Dividend Reinvestment Plan:

Either : (please tick one)

- Full Participation - include all fully paid ordinary shares registered in my/our name(s).
- Partial Participation - include \_\_\_\_\_ fully paid ordinary shares registered in my/our name(s), plus all new shares allotted under the Plan. (NB: if you do not complete the above in relation to partial participation, your application will be deemed to be full participation.)
- Termination - terminate my/our participation in the Just Water International Limited Dividend Reinvestment Plan.

Signature(s): \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

To ensure that this termination/variation of your participation in the Just Water International Limited Dividend Reinvestment Plan is effective please return this notice without delay. Notices received after a Record Date will not be effective in respect of the cash dividend relating to that Record Date but will be effective from the next relevant Record Date.

### HOW TO SIGN THIS NOTICE OF VARIATION/WITHDRAWAL:

- Individual shareholder: Sign personally or by attorney
- Joint shareholders: All shareholders must sign.
- Companies: By an authorised officer, attorney or two directors.
- Trusts: Trustees must sign personally or by attorney.
- Power of attorney: If signed by attorney the power of attorney must accompany the Election Notice (if it has not previously been produced to the Company for this purpose), and the certificate of non-revocation of power of attorney on the reverse of this Election Notice must be completed.

**After Completion, please mail, or fax to: (03) 308 1311**