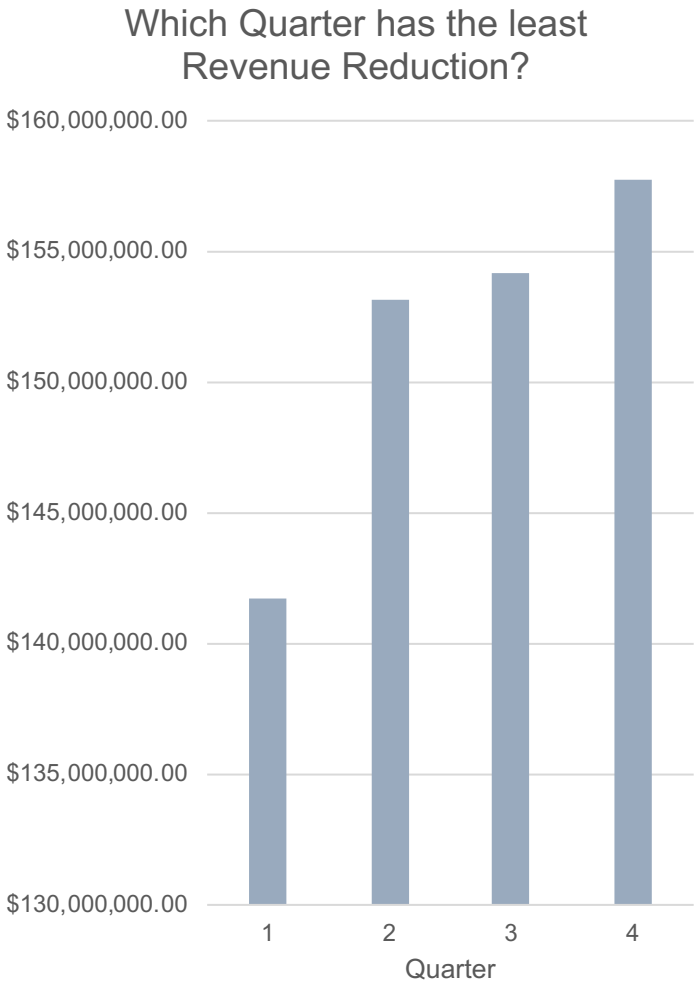
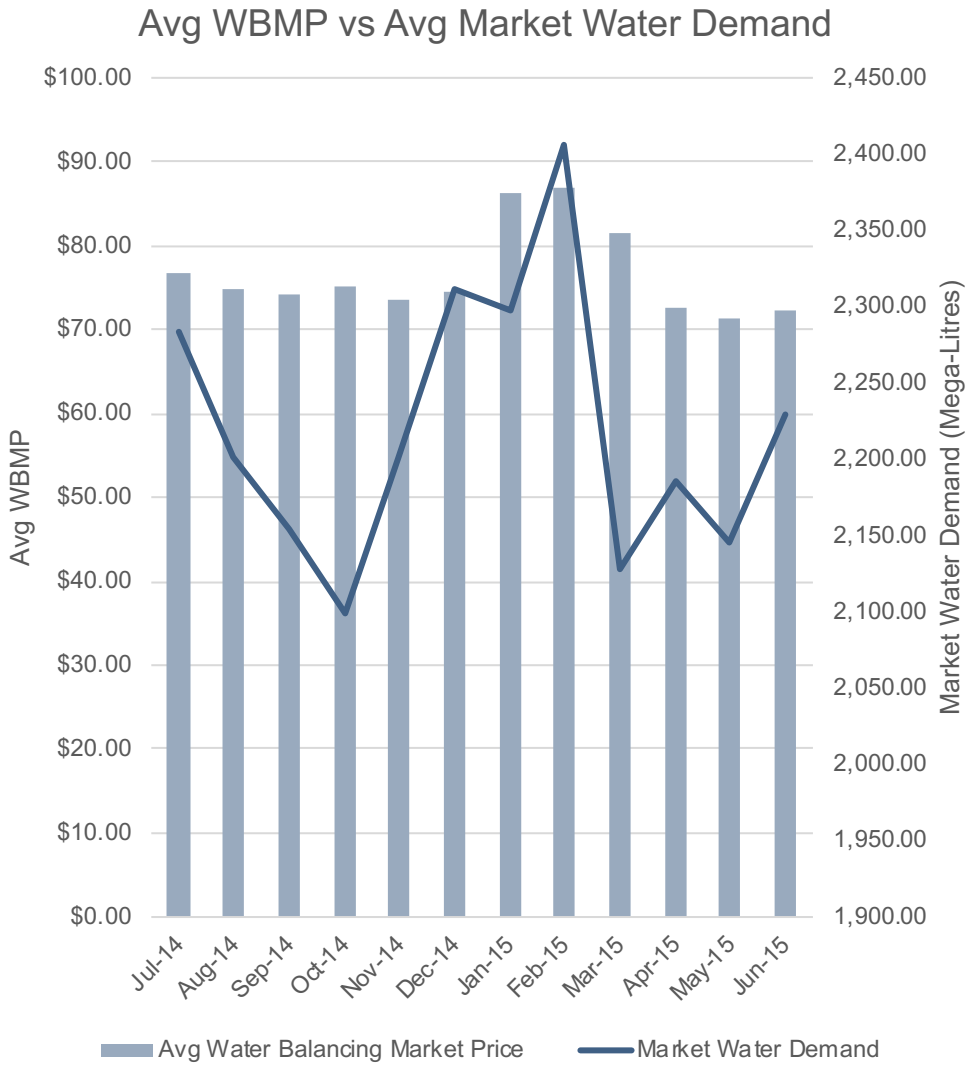
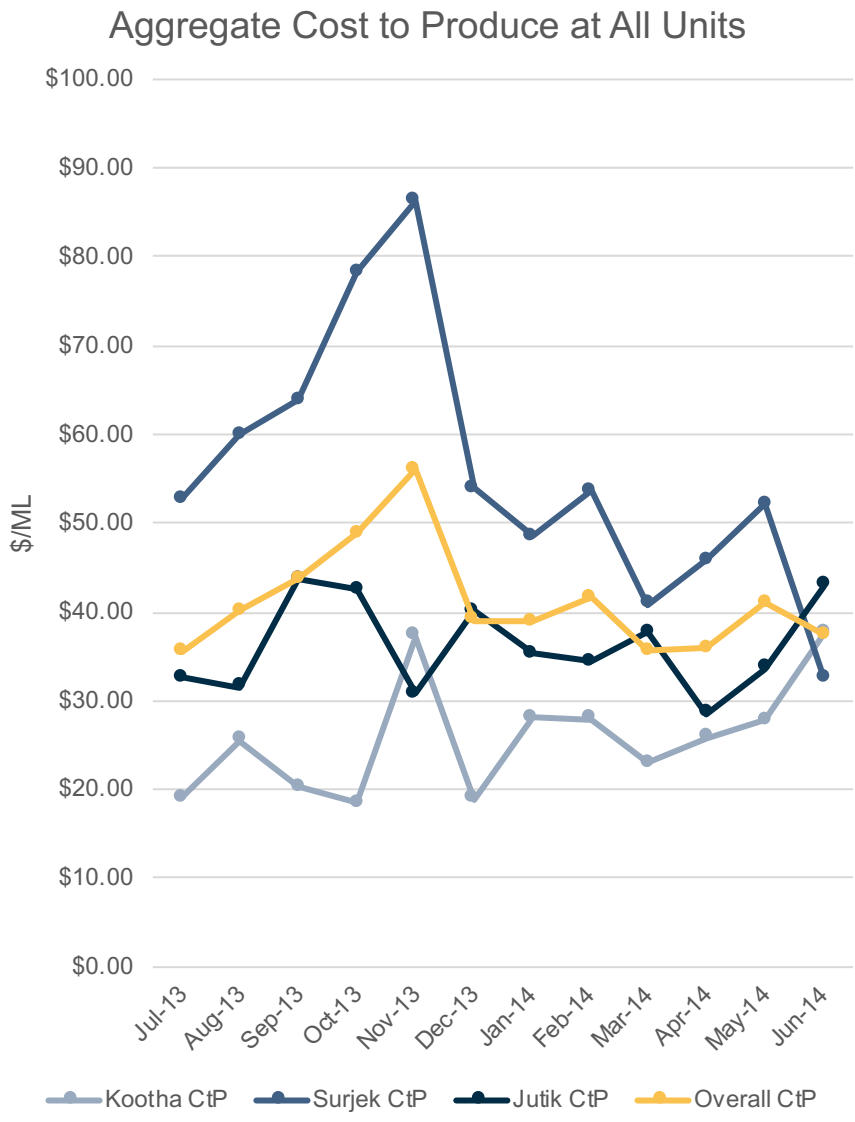
With a estimated 22% reduction in Surjek's Revenues ($49 M) due to the Maintenance Outage, Quarter 2 presents the best balance of revenue-loss mitigation with respect to market pricing, as opposed to Quarter 1 which represents the highest demand (2,277 GL) and Water Balancing Market Prices ($85).

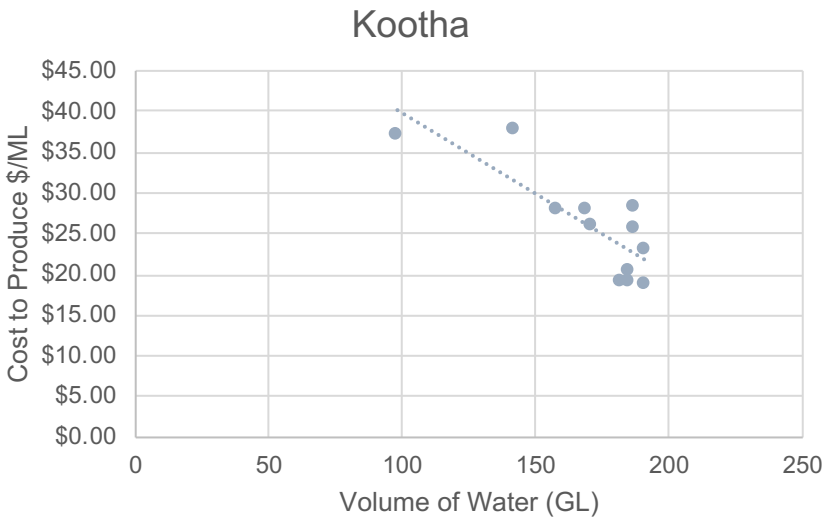


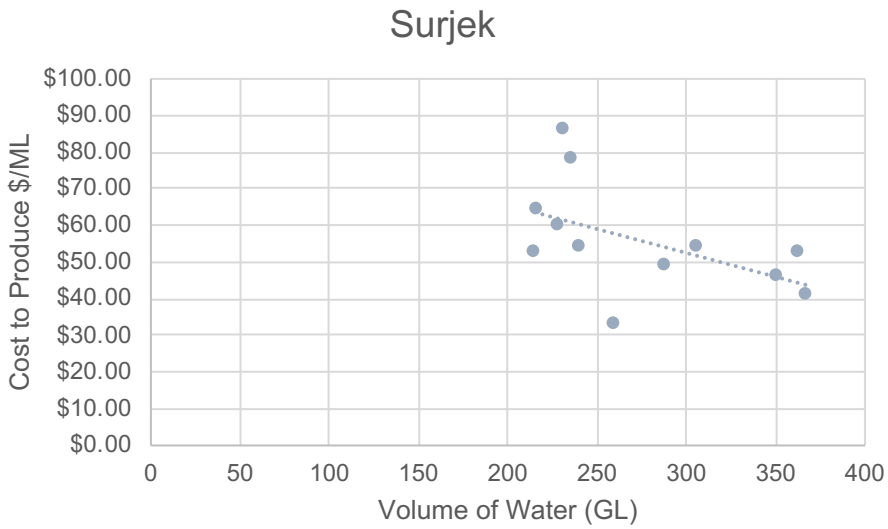


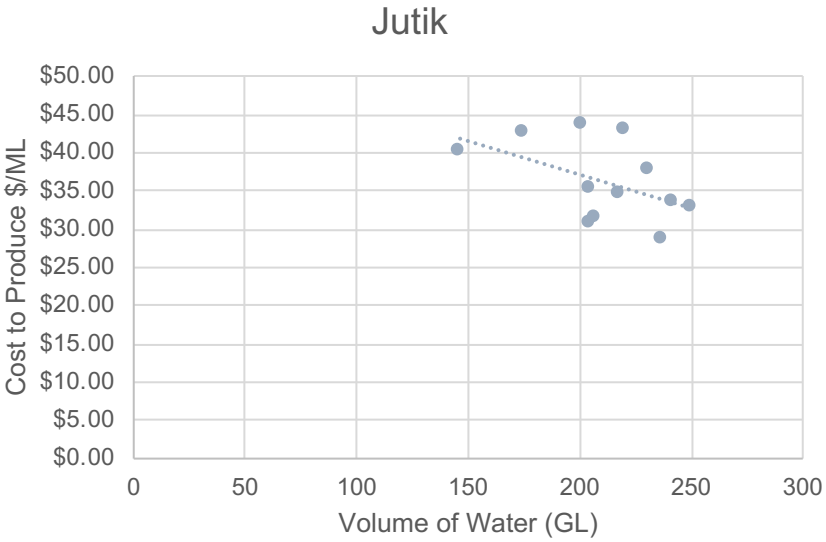
Of the three Desalination Plants, all three remain profitable at current market prices by a favourable margin; Clearly Kootha is the most cost-effective $25/ML) followed by Jutik ($35.80/ML) and lastly Surjek ($54.23/ML) which is consistent across the July-2013 to June-2014 period.



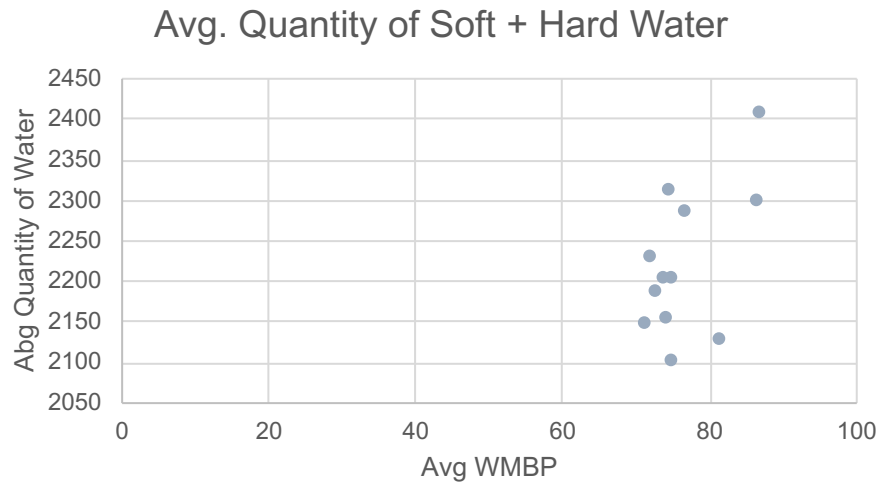
Contrasting the Cost to Produce against the Volume of Water Produced highlights clear Economies of Scale with costs rapidly dwindling across all plants as volume surges, with this being particularly noticeable across the Kootha and Surjek Plants with costs dropping as much as 50%.

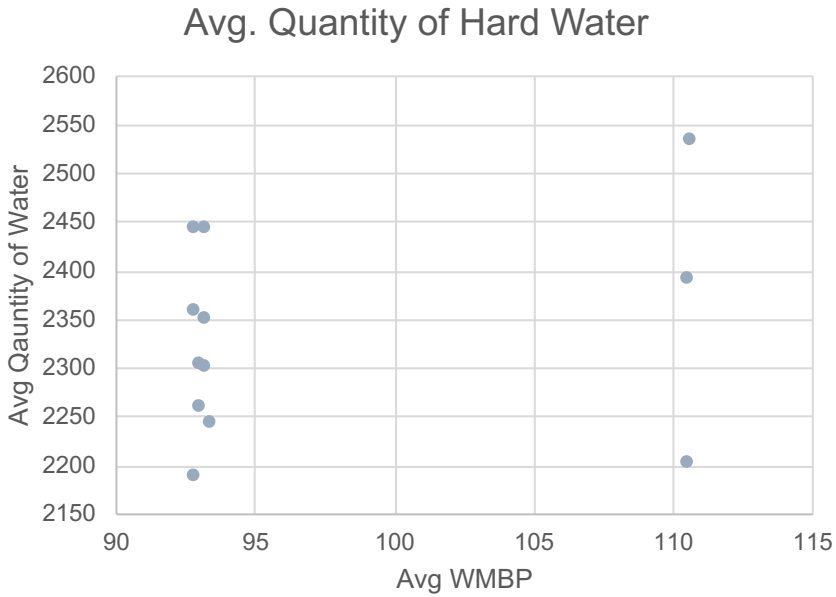


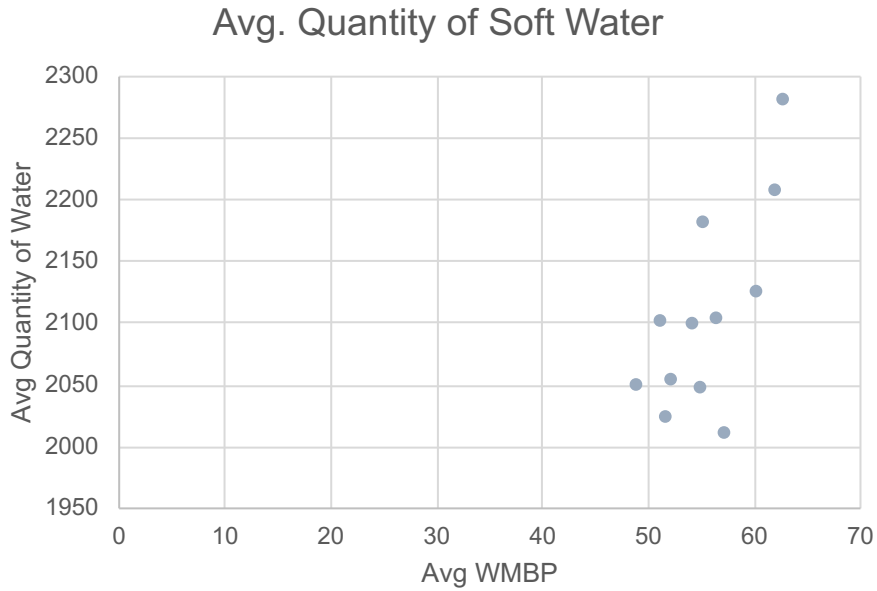




Drilling down further from a product-perspective, reveals two different patterns of elasticity where Hard Water tends to be relatively price inelastic regardless of quantity purchased, whilst Soft Water is more representative of an elastic price-to-volume relationship.







Lastly, when viewing the economic pricing data from a micro-perspective, it is indicative that Soft Water is seen as more of a 'less core' product than that of Hard Water whose price remains largely inflexible.