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SHARE BUY BACK IN RURAL EQUITIES LIMITED (REL) AT \$4.40 PER SHARE

As part of REL's capital management strategy, REL intends to make an offer to all shareholders to repurchase up to 1,000,000 REL shares at \$4.40 per share (*the Offer*) free of any brokerage. Once repurchased the shares will be cancelled.

As at 26 August 2016, the Offer price of \$4.40 represents a premium in excess of 8% to the 30 day weighted average market price on the Unlisted¹ market.

The Offer is also at a 20 cent premium to the price paid to the Rotorua Energy Charitable Trust earlier this year for the repurchase of 1,515,677 REL shares.

Given that REL shares trade infrequently on the Unlisted¹ market, the Directors consider that the Offer will provide shareholders who are contemplating exiting their investment in REL a convenient and efficient mechanism to realise their holding at \$4.40 with no brokerage or other transactional costs being incurred.

The Offer price is at a significant premium to all the other share repurchases previously carried out by REL and will be the last of the share repurchase offers by REL in the foreseeable future. The current intention of REL is not to consider another offer during the next 18 months due to a focus on development opportunities within the portfolio.

The Offer will be made in accordance with Section 60(1)(b)(ii) of the Companies Act 1993.

Details of the Offer will be sent to REL shareholders shortly.

Issued by James Wright, Chief Operating Officer, Rural Equities Limited.

¹ Unlisted is not a Licenced Financial Products Market.