BlueSky
Alternatives
Access Fund

BLUE SKY ALTERNATIVES ACCESS FUND LIMITED

Address Suite 22.02, Level 22, Australia Square
264-278 George Street, Sydney NSW 2000
Post PO Box H318, Australia Square NSW 1215
Phone 02 8282 0400
Email investorservices@blueskyalternativesfund.com.au

31 October 2018

Blue Sky Alternatives Access Fund Limited (ASX: BAF) ('BAF')
Offer received from Aware Water Group

BAF is aware of media reports this morning concerning an offer received from Aware Water Group in respect of BAF's interest in the Blue Sky Water Fund. BAF's independent non-executive directors have this morning responded to Aware Water Group's offer in the form of the **attached** correspondence.

BAF notes that the offer received represents an approximately $4 million or 8.8% discount to the most recently reported book value of BAF's interest in the Blue Sky Water Fund.

For more information, please contact:

Leyya Taylor
Company Secretary
Blue Sky Alternatives Access Fund Limited

Telephone: 07 3270 7500
Email: ltaylor@blueskyfunds.com.au
Website: blueskyfunds.com.au

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31 October 2018

Ross Burney
Chairman
Aware Water Group
Level 31
367 Collins Street
MELBOURNE VIC 3000

By email ross@humepartners.com.au

Dear Mr Burney

Aware Water Group offer to acquire interest in Blue Sky Water Fund

The independent non-executive directors of Blue Sky Alternatives Access Fund Limited (**BAF**) have considered your letter of 29 October 2018.

With respect your offer is incorrectly addressed. As has previously been communicated to you, BAF is an externally managed entity. Consequently, any decision as to the realisation of investments comprised in the BAF portfolio must be made by its manager, presently BSAAF Management Pty Ltd. This decision will continue to be the responsibility of BAF's appointed manager for so long as such a manager is appointed and regardless of any transition to a new manager as described in your letter and contemplated by our prior announcements. For so long as BSAAF Management Pty Ltd remains BAF's manager we recommend you address any further correspondence in respect of your offer to Mr Kim Morison.

As an aside we note that your offer represents a discount of over $4 million or approximately 8.8% to the most recently published book value of BAF's interest in the Blue Sky Water Fund. Given the relatively liquid nature of BAF's interest in the Blue Sky Water Fund and the significant discount to carrying value your offer represents, we do not agree that your offer constitutes material price sensitive information. Regardless, given your decision to publicise your interest we note that we intend to promptly notify the market of the information contained in this response.

Yours sincerely

P. Masi

Paul Masi
Director