



cadiz inc. announces strategic transaction with apollo global management to finance cadiz water project construction

May 2, 2017

MSK client Cadiz Inc. (NASDAQ:CDZI) ("Cadiz", the "Company") today announced it has entered into a strategic transaction with funds affiliated with Apollo Global Management, LLC (together with its consolidated subsidiaries, "Apollo") (NYSE: APO) to initiate financial arrangements for the construction and implementation of the Company's Cadiz Valley Water Conservation, Recovery & Storage Project ("Cadiz Water Project" or the "Project"). In furtherance of the strategic transaction, funds managed by affiliates of Apollo (the "Apollo Funds") and Cadiz executed a series of agreements that will replace and refinance Cadiz's senior secured mortgage debt and provide \$15M of new senior debt to fund immediate construction related expenditures. Apollo Funds also executed a conditional commitment letter to fund up to \$240M in construction finance expenditures for the Cadiz Water Project, subject to the satisfaction of conditions precedent.

The Cadiz Water Project is a public-private partnership that in its initial phase will conserve and deliver a new, reliable water supply for Californians. Phase 2 of the Project will build upon the foundation established in Phase 1 to enable the storage of imported water and make possible the interconnection of the Colorado River Aqueduct ("CRA") and Northern California sources in a common groundwater storage program. Phase 1 is nearly shovel-ready and completing final regulatory permitting related to transportation of conserved water from Cadiz's private property in the Mojave Desert to public water purveyors throughout the region via a pipeline to be constructed in an active railroad right-of-way to the CRA.

MSK served as Cadiz's legal counsel in the transaction, led by Kevin Friedmann, Chairman of the Corporate & Business Transactions Department. The MSK team also included MSK Partners Anthony A. Adler and Daniel B. Leon, together with Louisa Q. Zhou.

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"MSK is proud and excited to continue working with Cadiz on this project," stated Mr. Friedmann. "We are extremely gratified to see Cadiz move further ahead in this endeavor, not just as attorneys, but as Californians. We look forward to supporting Cadiz further as it continues to develop and expand the Cadiz Water Project," Mr. Friedmann concluded.