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ASX Announcement

Hastings Diversified Utilities Fund (HDF)

22 March 2012

Letter advising investors to take no action regarding APA's unchanged offer

The attached correspondence is being sent to HDF securityholders today regarding APA's offer and the extension of the offer period to 30 April 2012. The Hastings Board of Directors continues to recommend unanimously that HDF securityholders reject APA's offer.

For further enquiries, please contact:

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22 March 2012

Dear HDF Securityholder,

YOUR DIRECTORS CONTINUE TO RECOMMEND UNANIMOUSLY THAT YOU REJECT APA'S OFFER

Recently you should have received a letter from APA advising that APA has extended the offer period in relation to its unchanged offer for each of your HDF Stapled Securities to 7:00pm on 30 April 2012.

The Hastings Board does not believe any specific response to APA's Second and Third Supplementary Bidder's Statements is warranted at this stage and notes that:

- Based on the closing price of APA Stapled Securities as at 21 March 2012, the implied value of the Offer would be $2.08[1]. As HDF announced a distribution of $0.025 per HDF Stapled Security on 21 March 2012, the Offer price will be reduced by this amount from the ex-distribution date of 26 March 2012. The closing price of HDF Stapled Securities on ASX as at 21 March 2012 was $2.19.
- The offer is still highly uncertain and subject to fifteen (15) conditions, including the requirement for ACCC and FIRB approvals.
- As at 19 March 2012, APA had only obtained acceptances for 0.4% of HDF's Stapled Securities since the offer was announced.

The Hastings Board continues to recommend unanimously that HDF securityholders REJECT APA's opportunistic and entirely inadequate offer for the reasons set out in the Target's Statement.

TO REJECT APA'S OFFER YOU SHOULD SIMPLY DO NOTHING AND TAKE NO ACTION IN RELATION TO ALL DOCUMENTS SENT TO YOU BY APA.

For further enquiries, please contact the HDF Information Line on 1800 815 610 (toll-free in Australia) or +612 8256 3357 (outside Australia).

Yours sincerely,

Alan Cameron AO
Chairman
Hastings Funds Management Limited

[1] Calculated as the closing price of APA Stapled Securities as at 21 March 2012, multiplied by 0.326 +$0.475 representing the $0.50 cash component of the offer less the $0.025 distribution paid on 30 January 2012.