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ASX Announcement

Hastings Diversified Utilities Fund (HDF)

2 July 2012

HDF update

PPA proposal

A subcommittee of independent directors of Hastings Funds Management Limited (HFML), as Responsible Entity for HDF, today advised that further to the ASX announcement released to the market on 15 May 2012, Pipeline Partners Australia Pty Limited (PPA), has requested, and has been granted an extension of due diligence until Monday 9 July 2012.

The additional due diligence period also includes an extension of previously agreed customary "no-shop" arrangements, and a cost reimbursement undertaking applicable in certain circumstances of up to $5 million if a binding offer consistent with the terms of the indicative proposal is received but not recommended by the independent directors.

PPA's indicative, non-binding and conditional all cash proposal of $2.35 per security (less adjustments to distributions paid from 15 May 2012) for all the issued securities in HDF remains unchanged as at market close 29 June 2012.

APA Group offer

The HFML Board continues to recommend that securityholders REJECT the takeover offer by APA Group (APA), which is scheduled to close at 7.00 pm (Sydney time) on 31 July 2012 (unless extended). APA's implied offer value of cash and scrip for all the issued securities in HDF was $2.13 (less adjustments to distributions paid from 14 December 2011) as at market close on 29 June 2012.

HDF Performance Fee

HDF accrues performance fees, if earned, on a six monthly basis, with the most recent period ending the six months to 30 June 2012. The HFML Board intends to make its announcement in relation to HDF's performance fee for the period in the week commencing 9 July 2012.

For further enquiries, please contact:

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