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ASX Announcement

Hastings Diversified Utilities Fund (HDF)

23 July 2012

HDF provides an update on corporate activity

Overview

A subcommittee of independent directors of Hastings Funds Management Limited (HFML), as Responsible Entity for HDF, has received takeover offers for all its outstanding securities from both Pipeline Partners Australia and the APA Group (APA).

As of market close on 20 July 2012, **Pipeline Partners Australia's offer is an all cash offer of $2.325[1] per security, while APA's implied offer value was $2.04 per security**, comprised of $0.425 cash[2] and 0.326 APA stapled securities.

HDF Chief Executive Officer Colin Atkin stated, "HDF is a very valuable and essential business. It features an excellent team of pipeline professionals at Epic Energy who have implemented and operate valuable infrastructure that will provide gas transmission for both domestic and international consumption. Both Pipeline Partners Australia and the APA Group have identified that value and are pursuing the opportunity to own HDF's strong growth infrastructure assets. HDF Securityholders can rest assured that HDF remains focused on pursuing the best value outcome."

Pipeline Partners Australia Offer

The Pipeline Partners Australia offer remains open to HDF Securityholders until 7:00 pm (AEST) on 31 August 2012.

HDF is required to dispatch its Target's Statement for the Pipeline Partners Australia offer by 3 August 2012. Detailed reasons why HDF Securityholders should accept the offer, in the absence of a superior proposal and the receipt of an independent expert's report concluding that the offer is fair and reasonable, will be included in HDF's Target's Statement.

Following HDF's ASX announcement on 13 July 2012, Pipeline Partners Australia has waived the condition related to HDF's performance fee that HFML will not accept a performance fee from HDF in excess of $50 million for the six month period ending 30 June 2012, and will not accept any performance fee for any period on or after 1 July 2012, while the offer remains open or Pipeline Partners Australia has a relevant interest in more than 50 percent of HDF.

The Pipeline Partners Australia offer remains subject to a number of conditions, including 70 percent acceptance of the offer by HDF Securityholders, change of control financing arrangements and other regulatory approvals.

[1] Represents an offer value of $2.35 per security less the $0.025 distribution payable on 6 August 2012.
[2] Represents an adjustment of $0.075 per security for all distributions payable since 14 December 2011.

APA Group Offer

APA has extended its offer period for all HDF securities to 7:00 pm (AEST) on 4 September 2012 (from 31 July 2012).

Following the Australian Competition and Consumer Commission's (ACCC) decision that it will not oppose its takeover offer, subject to APA divesting the Moomba to Adelaide Pipeline System, APA has waived the bid condition requiring ACCC approval.

APA's offer remains subject to a number of conditions, including 90 percent acceptance of the offer by HDF Securityholders, change of control financing arrangements and other regulatory approvals.

Takeovers Panel

HDF notes that the Takeovers Panel has received an application from AFIC related to the current takeover activity and HDF will keep the market informed on any further developments.

For further enquiries, please contact:

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