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ASX Announcement

Hastings Diversified Utilities Fund (HDF)

20 August 2012

Pipeline Partners Australia does not improve its offer for HDF within matching period

A subcommittee of independent directors of Hastings Funds Management Limited (HFML), as Responsible Entity for HDF, notes Pipeline Partners Australia's announcement that it has no intention of exercising its matching rights following the announcement on 17 August 2012 that the APA Group (APA) has increased its takeover offer for HDF. The Pipelines Partners Australia's cash offer price remains $2.43 per security.

Subject to meeting certain offer conditions, APA's offer is based on the level of ownership it achieves. If APA achieves ownership of 90 percent or more of HDF securities and becomes entitled to proceed to compulsory acquisition, its offer will comprise $0.80 in cash and 0.390 APA securities for each HDF security, or an implied value of $2.61 per HDF security based on APA's closing price on 17 August 2012 of $4.65.

If APA achieves ownership of more than 70 percent but less than 90 percent of HDF securities, APA's offer will comprise $0.72 in cash and 0.390 APA securities for each HDF security, or an implied value of $2.53 per HDF security based on APA's closing price on 17 August 2012 of $4.65.

APA has noted a reduction in a number of conditions since the announcement of its offer and the intention to waive further conditions as part of the revised offer.

The subcommittee of independent directors of HFML will meet to consider APA's revised offer and Pipeline Partners Australia's announcement not to exercise its matching rights in accordance with the Takeover Bid Implementation Deed between HDF and Pipeline Partners Australia and will keep the market appropriately informed.

Attached is a copy of Pipeline Partners Australia's media release.

For further enquiries, please contact:

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Pipeline Partners Australia Pty Limited

(ACN 157 963 810)

20 August 2012

Update in relation to Pipeline Partners Australia's all-cash offer for Hastings Diversified Utilities Fund

Pipeline Partners Australia Pty Limited (**PPA**) notes last Friday's announcement by APA Group regarding its offer for Hastings Diversified Utilities Fund (**HDF**). PPA has no intention of exercising its matching right in accordance with the terms of the Takeover Bid Implementation Deed entered into with HDF.

For any media enquiries, please contact:

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