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ASX RELEASE

DUET GROUP SIMPLIFICATION PROPOSAL

DUET Group (DUET or the Group) is pleased to announce the conclusion of the review announced on 31 July 2012 with a proposed simplification of the Group's structure (the **Proposal**).

If approved by securityholders, the Proposal will reduce the number of stapled entities from six to four and create a corporate arm controlling the Group's equity interests in its operating businesses and a funding arm holding intra-group debt investments, as summarised and attached to this release as Appendix 1.

Benefits of the Proposal

If approved by securityholders and implemented, the key benefits of the Proposal are expected to be:

1. Establishment of control of the Group's equity interests in its operating businesses in a corporate arm, allowing more effective and efficient decision making;
2. A simplified investment proposition for existing and potential investors in the Group;
3. Head office cost savings of \$1 million per annum, noting that the review and the Proposal are expected to cost the Group a total of \$10 million (excluding GST) in implementation costs; and
4. Improved corporate working capital with the release of approximately \$5 million supporting a license which will no longer be required.

Next Steps

The members of the Group and DUET Company Limited (DUETCo¹) have signed an Implementation Agreement setting out the terms on which they intend to give effect to the Proposal. A summary of the Implementation Agreement is attached to this release as Appendix 2.

¹DUET Company Limited (ACN 163 100 061). DUETCo is an Australian public company which was incorporated on 2 April 2013, whose main business activity is to acquire all of the units and shares in certain DUET Group entities to facilitate the implementation of the Proposal. DUETCo has not undertaken any other business since its incorporation. Further information concerning DUETCo will be set out in the Meeting Booklet and Prospectus to be dispatched to securityholders.

DUET will today seek approval from the Supreme Court of New South Wales to issue a meeting booklet outlining the Proposal and ordering the convening of the relevant securityholder meetings.

If court approval is obtained, a meeting booklet containing Notices of Meeting, an Explanatory Memorandum (including an independent expert report and recommendation by the DUET Group's boards), a Product Disclosure Statement and a Prospectus will be released on the ASX and dispatched to securityholders.

The Meeting Booklet will contain an indicative timetable for the Proposal and details for the meetings.

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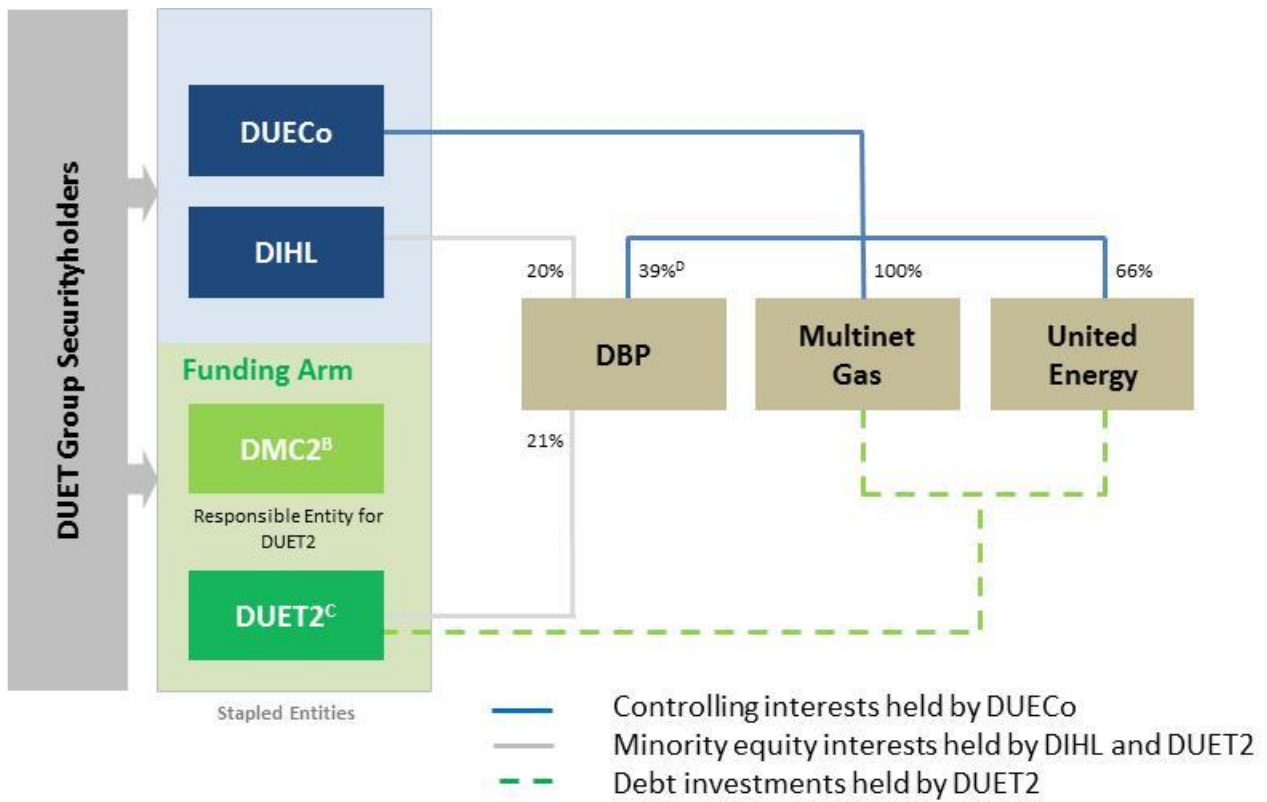
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Appendix 1 – Proposed Group Structure^A



A. Structure is in summary form with interposed entities not shown
 B. If the Proposal is implemented, DMC2 will be renamed DUET Finance Limited
 C. If the Proposal is implemented, DUET2 will be renamed DUET Finance Trust
 D. If the Proposal is implemented, DUETCo will hold through DUET1 a 65% controlling interest in DUET Dampier Bunbury Company Pty Ltd, which owns a 60% controlling interest in DBP

Appendix 2 – Implementation Agreement Summary

Implementation Agreement

The table below summarises the key terms of the Implementation Agreement.

The Proposal will, if approved, include two trust schemes and one company scheme of arrangement (the **Schemes**). If the Schemes are approved, securityholders will exchange:

- all of their units in Diversified Utility and Energy Trust No.3 (**DUET3**) for additional units in Diversified Utility and Energy Trust No.2 (**DUET2**) by way of a **DUET3 Trust Scheme**; and
- all of their units in Diversified Utility and Energy Trust No.1 (**DUET1**) and DUET Management Company 1 Limited (**DMC1**) for shares in DUECo by way of a **DUET1 Trust Scheme** and a **DMC1 Company Scheme**.

<p>Parties</p>	<p>DMC1 (in its personal capacity and as responsible entity of DUET1), DUET Management Company 2 Limited (DMC2) (in its personal capacity and as responsible entity of DUET2 and DUET3), DUET Investment Holdings Limited and DUECo</p> <p>DUECo is an Australian public company which was incorporated on 2 April 2013, whose main business activity is to acquire all of the DUET1 Units under the DUET1 Trust Scheme and all of the DMC1 Shares under the DMC1 Company Scheme</p>
<p>Conditions Precedent</p>	<p>The obligations of the parties to implement the transactions under the Implementation Agreement are conditional on the satisfaction or waiver of certain conditions, including the following:</p> <ul style="list-style-type: none"> • (securityholder approval - Schemes) securityholders approve the Schemes by the requisite majorities. This condition precedent cannot be waived. • (securityholder approval – General Meeting) securityholders approve the Designated General Meeting Resolutions at the General Meetings by the requisite majorities. The Designated General Meeting Resolutions will, if passed, authorise the destapling of the current stapled Group and approve amendments to the constitutions of members of the Group consequential upon the Proposal. This condition precedent cannot be waived. • (Regulatory approvals) Before 8.00am on the date of the Second Court Hearing to approve and give judicial advice in respect of the Schemes, all the relevant approvals and relief to allow the transactions to be implemented in accordance with applicable law are obtained (including all ASIC relief, ASX waivers and confirmations, and stamp duty reconstruction and consolidation relief in Victoria by the State Revenue Office and in Western Australia by the Office of State Revenue). This condition precedent can only be waived by the written consent of all of the parties. • (Judicial advice) The Court grants judicial advice in respect of the DUET1 Trust Scheme and DUET3 Trust Scheme. This condition precedent can only be waived by the written consent of all of the parties. • (Court approval) The Court approves the DMC1 Company Scheme. This condition precedent cannot be waived. • (ASX quotation) Before 8.00am on the date of the Second Court Hearing, the DUECo shares which are to be issued pursuant to two of the Schemes have been approved for official quotation. This condition precedent can only be

	<p>waived by the written consent of all of the parties.</p> <ul style="list-style-type: none"> • (Lodgement of Supplemental Deeds) A copy of executed supplemental deeds to amend the constitutions of DUET1 and DUET3 to give effect to the DUET1 and DUET3 Trust Schemes respectively, are lodged with ASIC. This condition precedent cannot be waived. • (No restraints) No temporary restraining order, injunction or other legal restraint or prohibition, which has been enacted, enforced or issued by a government agency preventing the transactions, is in effect as at 8.00am on the date of the Second Court Hearing. This condition precedent can only be waived by the written consent of all of the parties. <p>The parties will use their reasonable endeavours to procure the satisfaction of the conditions precedent without delay and on or before 31 August 2013.</p>
Consideration	Securityholders will pay no cash consideration for the units or shares being issued under the Schemes.
Implementation steps - disclosure	<p>Below are a few of the key obligations of the parties in connection with the preparation of (and disclosure of information in) the Meeting Booklet (which will include notices of meeting and an explanatory memorandum for the Meetings, and a prospectus and product disclosure statement (PDS)).</p> <p>Obligations of DUET</p> <p>DUET must prepare the Meeting Booklet (excluding the prospectus and the PDS) so that it complies with all applicable laws, including the Corporations Act, Listing Rules, Guidance Note 15 and the relevant ASIC regulatory guides. The Meeting Booklet will contain responsibility statements to the effect that:</p> <p>(a) DUET has provided and prepared, and is responsible for, the information in the Meeting Booklet (other than that information provided by the Bidders¹) (the DUET Information), and that the Bidders and their respective directors and officers do not assume any responsibility for the accuracy and completeness of that DUET Information in the Meeting Booklet;</p> <p>(b) DUECo has provided, and is responsible for, information it provides for inclusion in the Meeting Booklet and the prospectus (DUECo Information) and that DUET and its directors and officers do not assume any responsibility for the accuracy and completeness of that DUECo Information; and</p> <p>(c) DMC2 (as responsible entity of DUET2) has provided, and is responsible for, information about DUET2 provided by DMC2 for inclusion in the Meeting Booklet (the DUET2 Information) and the PDS and that DUET and DUECo and their respective directors and officers do not assume any responsibility for the accuracy and completeness of that DUET2 Information.</p> <p>Obligations of the Bidders</p> <p>DUECo must prepare the prospectus and the DUECo Information for inclusion in the Meeting Booklet. DMC2 (as responsible entity of DUET2) must prepare the PDS and the DUET2 Information for inclusion in the Meeting Booklet.</p>

¹ **Bidders** means: (a) in the case of the DUET1 Trust Scheme and the DMC1 Company Scheme, DUECo; and (b) in the case of the DUET3 Trust Scheme, DMC2 in its capacity as responsible entity of DUET2.

Bidder Indemnities	In respect of the DUECo Information and the DUET2 Information, DUET and the directors, officers, employees and advisers of the relevant Group entities (<i>DUET Indemnified Parties</i>) have a warranty and an indemnity in terms of which they are indemnified against all claims, actions, liabilities and damages (and the like) which any of the DUET Indemnified Parties may suffer or incur by reason of the DUECo Information or the DUET2 Information containing any statement that is misleading or deceptive in any material respect.
Board Recommendation	<p>The directors of each Target² must unanimously recommend that securityholders vote in favour of the Schemes and must not change, modify or withdraw that recommendation, except in the following circumstances:</p> <p>(a) a majority of the directors of any Target have changed, withdrawn or modified their recommendation of the Schemes because those directors have formed the view, acting in good faith, that, to satisfy what they consider to be their or any Target director's fiduciary or statutory duties, the Target directors should:</p> <p>(i) not continue to recommend that securityholders vote in favour of the Schemes; or</p> <p>(ii) change, modify or withdraw any previous recommendation made; or</p> <p>(b) the independent expert changes, modifies or withdraws its conclusion in its report that the Schemes are in the best interests of securityholders.</p>
Conduct of business	<p>DUET</p> <p>DUET must ensure that it continues to operate its business in the ordinary and proper course consistent with past practice in substantially the same manner as at the date of the Implementation Agreement, except in relation to those matters required to be done under the Implementation Agreement.</p> <p>DUECo</p> <p>DUECo must ensure that it does not undertake or engage in any business activity except in relation to those matters required to be done under the Implementation Agreement.</p>
Termination	<p>The Implementation Agreement provides for termination rights in specified circumstances. If a termination right is exercised, the Schemes will not proceed. The following is a summary of the termination rights under the Implementation Deed:</p> <p>(Mutual termination rights) Any party may terminate the Implementation Agreement if:</p> <p>(a) all of the Schemes have not become effective by 31 August 2013;</p> <p>(b) a condition precedent has not been, or cannot be, waived or satisfied (including if the Court determines not to approve the Schemes or if the requisite majorities of securityholders do not pass the necessary resolutions at the scheme meeting);</p> <p>(c) a majority of the directors of any Target have changed, withdrawn or modified their recommendation of the Schemes following the independent expert concluding that one or more of the Schemes is not in the best interests of securityholders, or the independent expert changing, modified or withdrawing</p>

² **Target** means: (a) in the case of the DUET1 Trust Scheme, DUET1; (b) in the case of the DUET3 Trust Scheme, DUET3; and (c) in the case of the DMC1 Company Scheme, DMC1.

	<p>its report;</p> <p>(d) at any time before the Second Court Hearing, a party has materially breached any provision of the Implementation Agreement (including any representation or warranty) and that breach is not remedied by the defaulting party within 10 business days of being notified of that breach and an intention to terminate;</p> <p>(e) any third party consent that is required to be obtained (under a material contract) in connection with the implementation of the Schemes is not obtained;</p> <p>(f) the independent expert changes, modifies or withdraws its conclusion in its report that the Schemes are in the best interests of securityholders; or</p> <p>(g) a majority of the directors of any Target have changed, withdrawn or modified their recommendation of the Schemes because those directors have formed the view, acting in good faith, that, to satisfy what they consider to be their or any Target director's fiduciary or statutory duties, the Target directors should:</p> <p>(i) not continue to recommend that securityholders vote in favour of the Schemes; or</p> <p>(ii) change, modify or withdraw any previous recommendation made.</p> <p>(Termination rights before Second Court Hearing)</p> <p>(a) (Bidder) Either Bidder may terminate the Implementation Agreement before the Second Court Hearing for a material breach by a Target of any provision of the Implementation Agreement or a breach of any of a Target's representations and warranties.</p> <p>(b) (Target) Any Target may terminate the Implementation Agreement before the Second Court Hearing for a material breach by a Bidder of any provision of the Implementation Agreement or a breach of any of a Bidder's representations and warranties.</p> <p>(c) (Target) Any Target may terminate the Implementation Agreement before the Second Court Hearing if a Bidder becomes insolvent, has a receiver appointed or has such appointment threatened, goes into liquidation or has proceedings brought or threatened for the purpose of winding up between the date of the Implementation Agreement and the Second Court Hearing.</p>
Break Fee	The Implementation Agreement does not provide for the payment of any break fee.
Representations and warranties and indemnities	Under the Implementation Agreement, the parties have given certain representations and warranties which are customary for an agreement of this type, given the nature of the transaction (noting that no business-related warranties have been given). The respective parties providing these representations and warranties have also provided indemnities against any liability which any of the other parties suffer arising out of a breach of such representations and warranties.
Restructure indemnities	It is recorded and acknowledged that in order to give effect to the separation of DUET's corporate and funding arms, a number of share and unit purchase agreements will be entered into by members of the Group. Under these share and unit purchase agreements the transferees (and, in the some cases, other members of the Group) will each (severally) agree to indemnify the relevant transferors (as well as other relevant members of the Group) against any liability (including fines, penalties, interest and other costs and expenses) of that transferor (or other Group member) arising out of any transaction resulting in a clawback of duty that has been exempted under corporate

	consolidation and reconstruction relief given by the Victorian or Western Australian revenue offices in connection with the relevant share sale and/or unit sale (as applicable).
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