

ASX Announcement

Hastings Diversified Utilities Fund (HDF)

Total pages: 19

16 November 2012

Notice of General Meeting and Explanatory Memorandum

Hastings Funds Management Limited (Hastings), as Responsible Entity for HDF advises that the attached Notice of General Meeting and Explanatory Memorandum for HDF has been sent to securityholders today.

Hastings also notes the announcement by the APA Group (APA) advising that APA has obtained a relevant interest in more than 90 percent of the securities in HDF. APA has now varied its offer by increasing the offer consideration by a further 8 cents cash per HDF security as outlined in previous announcements and will now proceed to compulsorily acquire the remaining HDF securities.

APA advises that for HDF securityholders who have accepted the offer, the payment of the increased offer consideration will be made within seven business days. A copy of APA's announcement is attached.

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

For further enquiries, please contact:

Colin Atkin

Chief Executive Officer

Hastings Diversified Utilities Fund

Tel: +61 3 8650 3600

Fax: +61 3 8650 3701

Email: investor_relations@hfm.com.au

Website: www.hfm.com.au

Simon Ondaatje

Head of Investor Relations

Hastings Funds Management

Tel: +61 3 8650 3600

Fax: +61 3 8650 3701

Email: investor_relations@hfm.com.au

Website: www.hfm.com.au



Jane Frawley

Company Secretary

Hastings Funds Management Limited

Unless otherwise stated, the information contained in this document is for informational purposes only. It does not constitute an offer of securities and should not be relied upon as financial advice. The information has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person or entity. Before making an investment decision you should consider, with or without the assistance of a financial adviser, whether any investments are appropriate in light of your particular investment needs, objectives and financial circumstances. Neither Hastings, nor any of its related parties including Westpac Banking Corporation ABN 33 007 457 141, guarantees the repayment of capital or performance of any of the entities referred to in this document and past performance is no guarantee of future performance. Hastings, as the Manager or Trustee of various funds, is entitled to receive management and performance fees.

Hastings Diversified Utilities Fund comprising HDUF Finance Trust (ARSN 109 770 765), HDUF Epic Trust (ARSN 109 770 961) and HDUF Further Investments Trust (ARSN 109 897 921)

Notice of General Meeting and Explanatory Memorandum

To be held at **10.30am** (AEDT) on **13 December 2012** at the offices of Hastings Funds Management Limited, **Level 10, 55 Market Street, Sydney.**

The Directors recommend unanimously that HDF Securityholders vote in favour of the Resolutions.

This is an important document and requires your immediate attention. You should read the document in its entirety before deciding whether to vote in favour of the resolutions and, if necessary, consult your investment, tax, legal or other professional adviser.

13 November 2012

Dear HDF Securityholder,

Hastings Diversified Utilities Fund (ASX:HDF) – Notice of General Meeting

On behalf of the directors of Hastings Funds Management Limited (**HFML Directors**), I invite you to attend a meeting of Hastings Diversified Utilities Fund (**HDF**). The meeting will comprise concurrent meetings of HDUF Finance Trust, HDUF Epic Trust and HDUF Further Investments Trust (the **Meeting**).

The Meeting will be held at **10.30am** (AEDT) on **13 December 2012** at the offices of Hastings Funds Management Ltd, **Level 10, 55 Market Street, Sydney**. At the Meeting, two resolutions will be proposed for your consideration relating to the retirement of Hastings Funds Management Limited (**HFML**) as responsible entity of HDF and the appointment of Australian Pipeline Limited (**APL**) as the new responsible entity of HDF (**Resolutions**).

Details of the Resolutions are provided in the enclosed Notice of Meeting and Explanatory Memorandum.

The HFML Directors recommend unanimously that you vote in favour of the Resolutions.

Background to the Resolutions

On 14 December 2011, APA Group launched a takeover bid for all HDF Stapled Securities (**Offer**). On 4 September 2012, a committee of independent directors of HFML (**HFML Independent Directors**) recommended unanimously APA Group's bid to HDF Securityholders in the absence of a superior proposal.

APA Group has stated in its bidder's statement and elsewhere that it intends to seek to have APL appointed as the new responsible entity of HDF. As at 12 November 2012, APA Group held a relevant interest in over 88% of all the HDF Stapled Securities. This is less than the 90% compulsory acquisition threshold, which is the point at which APA Group is able to compulsorily acquire all the outstanding HDF Stapled Securities it has not already acquired, and change the responsible entity without the need to convene a meeting of HDF Securityholders.

APA Group has stated that it intends to vote in favour of the Resolutions. APA Group's current holding of HDF Stapled Securities means it can procure the passing of resolutions to remove HFML and appoint APL as responsible entity of HDF, regardless of how other HDF Securityholders vote on those resolutions.

In view of this, and following discussions with APA Group, the HFML Directors have decided to retire as responsible entity, because they consider that it is in the best interests of all HDF Securityholders for there to be a smooth transition from HFML to APL as soon as practicable. Accordingly, the HFML Directors have decided to call a meeting of HDF Securityholders to vote on the change of responsible entity.

APA Group's Offer is currently scheduled to close at 7:00pm (AEDT) on 14 November 2012, unless it is extended. The Offer will remain open for acceptance by HDF Securityholders until it closes.

The HFML Independent Directors continue to recommend unanimously that HDF Securityholders accept the Offer. The HFML Directors recommend unanimously that HDF Securityholders who do not accept the Offer before 7.00pm (AEDT) on 11 December 2012 (being the time and date for determining the entitlement to vote at the Meeting), vote in favour of the Resolutions.

The Resolutions

The Resolutions proposed under the Notice of Meeting seek to replace HFML as responsible entity (**RE**) of HDUF Epic Trust, HDUF Finance Trust and HDUF Further Investments Trust, with APL.

HDF Securityholders are required to vote on two interconditional resolutions. Resolution 1 relates to the retirement of HFML as the RE of HDF and Resolution 2 seeks to appoint APL as the new RE of HDF.

Voting

This Notice of Meeting and Explanatory Memorandum contains important information in relation to the Resolutions, including the reasons for the HFML Directors' recommendation and a discussion of the benefits and considerations of the Resolutions.

Please read this document carefully in its entirety before making your decision and voting (whether in person, by corporate representative or by proxy) at the Meeting.

The results of the Meeting will be announced to the ASX on the day of the Meeting. If you have any queries about the Meeting, please call Investor Relations on (03) 8650 3600.

We look forward to your attendance on 13 December 2012.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Alan Cameron', with a long horizontal flourish extending to the right.

Alan Cameron AO
Chairman
Hastings Funds Management Limited

Notice of General Meeting – Hastings Diversified Utilities Fund

Notice is given that a general meeting of Hastings Diversified Utilities Fund (**HDF**) will be held at 10.30am (AEDT) on 13 December 2012 at the offices of Hastings Funds Management Limited at Level 10, 55 Market Street, Sydney (**Meeting**). The Meeting will comprise concurrent meetings of the three entities that make up HDF, namely HDUF Finance Trust (ARSN 109 770 765), HDUF Epic Trust (ARSN 109 770 961) and HDUF Further Investments Trust (ARSN 109 897 921).

The proposed resolutions for consideration at the Meeting (**Resolutions**) seek to change the responsible entity of HDF from Hastings Funds Management Limited (**HFML**) to Australian Pipeline Limited (**APL**).

For logistical and planning purposes, we request that HDF Securityholders register for attendance by email to: investor_relations@hfm.com.au

Resolution 1 – Retirement of the responsible entity

To be considered, and if thought fit, passed as an ordinary resolution:

“Subject to Resolution 2 being passed, that Hastings Funds Management Limited (ABN 27 058 693 388) retire as responsible entity of HDUF Epic Trust (ARSN 109 770 961), HDUF Finance Trust (ARSN 109 770 765) and HDUF Further Investments Trust (ARSN 109 897 921) pursuant to the HDF Constitutions and section 601FL of the Corporations Act.”

Resolution 2 – Appointment of new responsible entity

To be considered, and if thought fit, passed as an ordinary resolution:

“Subject to Resolution 1 being passed, that Australian Pipeline Limited (ABN 99 091 344 704) be appointed as responsible entity of HDUF Epic Trust (ARSN 109 770 961), HDUF Finance Trust (ARSN 109 770 765) and HDUF Further Investments Trust (ARSN 109 897 921) pursuant to the HDF Constitutions and section 601FL of the Corporations Act.”

Both Resolutions are ordinary resolutions requiring the support of a majority of the votes cast by HDF Securityholders who vote in person or by proxy.

The directors of HFML (**HFML Directors**) recommend unanimously that HDF Securityholders approve the Resolutions.

Entitlement to vote

HDF has determined for the purpose of the Meeting that HDF Stapled Securities will be taken to be held by the persons who are the registered holders as at **7.00pm (AEDT) on 11 December 2012**.

Quorum and Majority Required

The Quorum necessary for a meeting of HDF Securityholders convened to consider the resolutions is at least two (2) HDF Securityholders.

To pass, an ordinary resolution requires a simple majority of HDF Stapled Securities voted who vote in person or by proxy.

Proxies

A HDF Securityholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the HDF Securityholder. A proxy need not be a HDF Securityholder and can be either an individual or a body corporate. If a HDF Securityholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representatives to exercise its powers at the meetings, in accordance with section 253B of the Corporations Act; and

- provides satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meetings.

If such evidence is not received before the meetings, the body corporate (through its representative) will not be permitted to act as a proxy.

A HDF Securityholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the HDF Securityholder's votes.

A Proxy Form accompanies this Notice of Meeting. We urge you to complete the proxy form and return it in the enclosed reply paid envelope.

Completed and signed proxy forms (together with an original or notarially certified copy of any power of attorney or other authority under which the proxy appointment was signed) must be returned no later than **10.30am (AEDT) on 11 December 2012**, being at least 48 hours before the time appointed for the meetings at which the proxy intends to vote. The documents may be lodged in the following manner, however an original or notarially certified copy of any power of attorney or other authority under which the appointment is signed must be deposited with the registry in person or by mail so that it is received by the time set out above.

In person:

Computershare Investor
Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

By mail

**(reply paid envelope
enclosed):**
GPO Box 242
Melbourne VIC 3001

By Fax:

Within Australia: 1800 783 447
Outside Australia: +61 3 9473 2555

Please refer to other notes appearing on the enclosed Proxy Form.

Voting intentions of the Chairman

The Chairman intends to vote undirected proxies in favour of the Resolutions.

Further information

If you have any questions please contact Investor Relations on 03 8650 3600 or investor_relations@hfm.com.au

By order of the HFML Board

Dated: 13 November 2012



Jane Frawley
Company Secretary
Hastings Funds Management Limited

Explanatory Memorandum

This Explanatory memorandum must be read in conjunction with the accompanying Notice of Meeting of HDF.

Background

In December 2011, APA Group launched a takeover bid for all HDF Stapled Securities (**Offer**). On 4 September 2012, a committee of independent directors of HFML (**HFML Independent Directors**) recommended unanimously APA Group's Offer to HDF Securityholders in the absence of a superior proposal.

APA has stated in its bidder's statement and elsewhere that it intends to seek to have APL appointed as the new responsible entity of HDF. As at 12 November 2012, APA Group held a relevant interest in over 88% of all the HDF Stapled Securities. APA Group's current holding of HDF Stapled Securities would allow it to requisition a meeting of HDF, and pass necessary resolutions to remove HFML and appoint APL, regardless of how other HDF Securityholders vote on those resolutions.

Given the background outlined above, and following discussions with APA Group, the HFML Directors consider that it is in the best interests of HDF Securityholders for there to be a smooth transition from HFML to APL as soon as practicable and HFML has therefore decided to retire as responsible entity of HDF. Accordingly, the HFML Directors have decided to call a meeting of HDF Securityholders to vote on the change of responsible entity.

Recommendation

Unless extended, the Offer remains open for acceptance until 14 November 2012 and the HFML Independent Directors continue to recommend unanimously that HDF Securityholders accept the Offer. The HFML Directors recommend unanimously that HDF Securityholders who have not accepted the Offer prior to 7.00pm (AEDT) on 11 December 2012 vote in favour of the Resolutions.

If the Resolutions are passed, the change of responsible entity will take effect on registration of the change by the Australian Securities & Investments Commission (**ASIC**). HFML will lodge the necessary documentation with ASIC to register the change as soon as practicable following the Resolutions being passed.

There are a number of matters that should be considered by HDF Securityholders in considering the Resolutions, including the status of APA Group's Offer, APL's qualifications to act as responsible entity of HDF, APA Group's ACCC undertaking in relation to the MAPS business, Epic Energy's debt facilities and the fees that will be payable to APL and HFML in connection with the change of responsible entity.

APA Group Offer

APA Group's takeover bid is currently scheduled to close at 7:00pm (AEDT) on 14 November 2012, however this may be extended. The Offer will remain open for acceptance by HDF Securityholders until it closes. APA Group will be entitled to vote all HDF Stapled Securities accepted into the Offer prior to 7.00pm (AEDT) on 11 December 2012 at the Meeting.

If APA Group receives acceptances for 90% of HDF Stapled Securities under the Offer, APA Group will be entitled to commence the compulsory acquisition process for the outstanding HDF Stapled Securities it has not already acquired. In the event that APA Group commences compulsory acquisition after the date of this Explanatory Memorandum, it is unlikely that the compulsory acquisition process will be completed by 7.00pm (AEDT) on 11 December 2012. The registered holder of any outstanding HDF Stapled Security as at 7.00pm on 11 December 2012 would be entitled to exercise the right to vote attaching to that HDF Stapled Security, rather than APA Group.

APL – the proposed new responsible entity of HDF

APA Group comprises two trusts, APT and APTIT, which are registered managed investment schemes regulated by the Corporations Act.

Australian Pipeline Limited (**APL**) acts as responsible entity of APT and APTIT. APL is an indirectly held, wholly-owned subsidiary of APA Group. The board of APL comprises 7 directors, the majority of whom (including the Chairman) are independent. Details of APA Group's corporate governance policies are available on APA Group's website at www.apa.com.au. The biographical details of the directors of APL and the members of APL's management team who will have responsibility for management of HDF if APL is appointed as the new responsible entity are set out in this Explanatory Memorandum.

APL has consented to act as responsible entity of HDF.

At the end of this Explanatory Memorandum is a 2 page statement by APA Group in relation to the Resolutions which provides further information on APA Group. This document was prepared by APA Group and, to the extent permitted by law, HFML disclaims any responsibility for its contents.

APA Group's ACCC undertaking in relation to MAPS

The Moomba to Adelaide Pipeline System (**MAPS**) is a 1,184 kilometre pipeline (including laterals) providing gas transmission to Adelaide and South Australian regional centres from the Cooper Basin production and processing facilities at Moomba. The pipeline also provides gas transmission from the coal seam gas fields of south east Queensland via the South West Queensland Pipeline (**SWQP**).

On 19 July 2012, the Australian Competition and Consumer Commission (**ACCC**) announced that it would not oppose APA Group's Offer, on the basis of its acceptance of an undertaking from APL in its capacity as responsible entity of APA Group to divest the MAPS business (the **ACCC Undertaking**). The undertaking given by APL to the ACCC requires that APL must, from when APA Group has removed HFML as responsible entity and appointed a new APA Group nominated responsible entity of HDF, cause the divestiture of the MAPS business to a purchaser approved by the ACCC. If this divestiture is not completed within a time period that has not been publicly disclosed, APA Group must appoint and maintain a divestiture agent approved by the ACCC to effect the divestiture of the unsold MAPS business. The divestiture agent must then use its best endeavours to enter into a binding agreement for the divestiture of the MAPS business as quickly as possible to a purchaser approved by the ACCC. APA Group cannot impose any obligation on the divestiture agent to achieve a minimum price for the divestiture.

In accordance with the ACCC undertaking, APA Group has appointed an independent manager approved by the ACCC to manage the MAPS business from the date it acquires effective control of HDF until the completion of the divestment. The ACCC Undertaking also imposes obligations on APA Group relating to the protection of the MAPS business. These include requirements that the MAPS business be separated from APA Group and restrictions on APA Group and APA Group's employees' ability to access, use or disclose confidential information about the MAPS business. APA Group must also appoint and maintain an independent auditor approved by the ACCC to audit and report on APA Group's compliance with the ACCC Undertaking.

If APL replaces HFML as responsible entity of HDF pursuant to the Resolutions, APL will be required to cause the divestiture of MAPS to a purchaser approved by the ACCC. HFML expects that, as responsible entity, APL would give effect to the ACCC Undertaking to the extent that doing so is consistent with its duties as responsible entity of HDF, including its duty to act in the best interests of all HDF Securityholders.

Remaining minority HDF Securityholders will be exposed to a number of risks in relation to the divestiture of MAPS. For example:

- There is uncertainty about the sale price that may be received from the sale of MAPS if and when such a sale eventuates; and
- The sale of MAPS in these circumstances may have adverse tax consequences for HDF.

HDF Securityholders should refer to Section 3 of APA Group's Fifth Supplementary Bidder's Statement dated 27 August 2012 for further detail on the risks associated with APA Group's ACCC Undertaking.

Epic Energy's debt facilities

A review of Epic Energy's debt facilities has been triggered by the acquisition of HDF Stapled Securities under APA Group's Offer. The removal of HFML as responsible entity is also a review event under Epic Energy's debt facilities. Unless consents are obtained from all of the relevant lenders, Epic Energy may be required to repay some or all of its lenders shortly after the removal of HFML as responsible entity of HDF.

APA Group has disclosed in its Fifth Supplementary Bidder's Statement that in the event that it moves to compulsory acquisition of HDF Stapled Securities, APA Group has sufficient resources available to fully repay all Epic Energy's debt whilst retaining prudent headroom for ongoing APA Group operations. Details of Epic Energy's debt facilities and the implications of the removal of HFML as responsible entity are set out in Section 5.4 of HDF's Target Statement dated 3 August 2012.

The fees that APL will be paid if it is appointed as responsible entity of HDF

Under the HDF Constitutions:

1. A management fee is payable to the responsible entity of HDF. The amount payable per annum is up to 1.00% of the market capitalisation of HDF (**Management Fee**). APA Group has disclosed in its statement in Annexure B that it has consulted with ASX regarding the potential to delist HDF in circumstances where APA Group is not entitled to proceed to compulsory acquisition and will review the cost savings to be achieved by a delisting. The HDF Constitutions provide that, if the responsible entity does not consider that the most recent trading prices of HDF Stapled Securities provide a fair reflection of the market price (for example, because HDF Stapled Securities were no longer listed on ASX), the market capitalisation of HDF is to be calculated with reference to the fair market price of HDF Stapled Securities as determined by a valuer appointed by the responsible entity, rather than ASX quoted prices. The Management Fee is calculated quarterly and is payable at the conclusion of each quarter.
2. A performance fee is payable to the responsible entity of HDF where the total return to HDF Securityholders exceeds the return on the S&P/ASX 200 Industrial Accumulation Index (**Performance Fee**). The Performance Fee is calculated as 20% of the total return to HDF Securityholders above the return on the S&P/ASX 200 Industrial Accumulation Index for the relevant period.

APL has informed HFML that in relation to fees, APL will continue to receive the fees in accordance with the HDF constitutions, unless it determines to waive those fees at a future time.

The fees that will be paid to HFML if it is removed as responsible entity of HDF

If the Resolutions are passed, HFML will be entitled to be paid the Performance Fee in respect of the period between 1 July 2012 and the date on which ASIC registers the change of responsible entity (**Change Date**). The amount of that Performance Fee will depend on movements in the trading price of HDF Stapled Securities and the S&P/ASX 200 Industrial Accumulation Index up to the Change Date. Based on the trading price of HDF Stapled Securities and the S&P/ASX 200 Industrial Accumulation Index as at 9 November 2012, (which could change prior to 13 December 2012), the Performance Fee would be \$5,458,106. HFML will take the Performance Fee in respect of the period between 1 July 2012 and the Change Date in cash, rather than HDF Stapled Securities.

The Management Fee for the December 2012 quarter will be payable following the end of that quarter. If the Resolutions are passed, APA Group has agreed that the portion of the Management Fee referable to the period up to 13 December 2012 will be paid to HFML.

APL Board and management team

Set out below are the biographical details of the directors of APL and the members of APL's management team who will have responsibility for management of HDF if APL is appointed as the new responsible entity.

Leonard Bleasel AM

FAICD FAIM

Independent Chairman

Appointed 28 August 2007

Appointed Chairman 30 October 2007

Leonard (Len) Bleasel is a director of O'Connell Street Associates Pty Limited and Chairman of the Taronga Conservation Society Australia and Chairman of the Advisory Council for RBS Group (Australia) Pty Limited. Len had a long career in the energy industry before retiring from management in 2001. He started his career in AGL in 1958 and worked in a variety of roles, culminating in the position of Managing Director and CEO from 1990 to 2001.

Len's past appointments have included Chairman of Foodland Associated Limited, ABN AMRO Australia Holdings Pty Limited, Solaris Power, the Australian Gas Association, Natural Gas Corporation Holdings Ltd (New Zealand), Elgas Ltd, Auscom Holdings Pty Ltd, Industrial Pipe Systems Pty Ltd and East Australian Pipeline Ltd, director of QBE Insurance Group Limited, St George Bank Limited and Gas Valpo (Chile), and Vice President of the Royal Blind Society.

Len was awarded an AM in the General Division of the Order of Australia for services to the Australian gas and energy industries and the community.

Michael McCormack

BSurv GradDipEng MBA FAICD

Chief Executive Officer and Managing Director

Appointed 1 July 2006

Michael (Mick) McCormack has been Chief Executive Officer of APA Group since 1 July 2005 and Managing Director since 1 July 2006. Mick has over 25 years' experience in the gas infrastructure sector in Australia and his career has encompassed all aspects of the sector including commercial development, design, construction and operation and management of most of Australia's natural gas pipelines and gas distribution systems. Mick is a director of Envestra Limited and the Australian Pipeline Industry Association.

Steven Crane

BComm FAICD SFFin

Independent Director

Appointed 1 January 2011

Steven Crane has over 30 years' experience in the financial services industry. His background is in investment banking, having previously been Chief Executive Officer of ABN AMRO Australia (now RBS Group Australia) and BZW Australia. Steven has considerable experience as a non-executive director of listed entities. He is currently Chairman of nib holdings limited, a director of Bank of Queensland Limited, Transfield Services Limited, Taronga Conservation Society Australia, a member of the Advisory Council for RBS Group (Australia) Pty Limited and was formerly Chairman of Adelaide Managed Funds Limited and Investa Property Group Limited and formerly a director of Adelaide Bank Limited, Foodland Associated Limited and APA Ethane Limited, the responsible entity of Ethane Pipeline Income Fund. Steven is a member of the Audit and Risk Management Committee and the Remuneration Committee.

John Fletcher

BSc MBA FAICD

Independent Director

Appointed 27 February 2008

John Fletcher has over 35 years' experience in the energy industry, having held a number of executive positions in AGL prior to his retirement in 2003, including Chief Financial Officer. John has previously been a director of Integral Energy, Natural Gas Corporation Holdings Ltd (New Zealand), Foodland Associated Limited and Alinta Energy Group. He brings a wide commercial and financial practical knowledge to the Board. John was previously an AGL appointed director of Australian Pipeline Limited from 2000 to 2005. He is also a director of Sydney Water. John is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee.

Russell Higgins AO

BEc FAICD

Independent Director

Appointed 7 December 2004

Russell Higgins has extensive experience both locally and internationally in the energy sector and in economic and fiscal policy. He was Secretary and Chief Executive Officer of the Department of Industry, Science and Resources from 1997 to 2002 and Chairman of the Australian Government's Energy Task Force from 2003 to 2004. Russell is a director of Telstra Corporation Limited and Argo Investments Limited. He is the Chairman of the Global Carbon Capture and Storage Institute and the CSIRO Energy Transformed Flagship Advisory Committee, and a director of the St James Ethics Foundation. He is a former Chairman of the Snowy Mountains Council and the Australian Government's Management Improvement Advisory Committee and a former director of Ricegrowers Limited (trading as Sunrice), Australian Biodiesel Group Limited, EFIC, CSIRO, Austrade and the Australian Industry and Development Corporation, as well as a former member of Australian Government's Joint Economic Forecasting Group. In 2006-07 he was a member of the Prime Ministerial Task Group on Emissions Trading. Russell is Chairman of the Health Safety and Environment Committee and a member of the Audit and Risk Management Committee.

Patricia McKenzie

LLB MAICD

Independent Director

Appointed 1 January 2011

Patricia McKenzie has considerable expertise and experience in energy market regulation and, as a qualified solicitor, extensive corporate legal experience. She was formerly a director of Australian Energy Market Operator Limited (AEMO), the national energy market operator for electricity and gas, and the Chief Executive Officer of Gas Market Company Limited, the market administrator for retail competition in the gas industry in New South Wales and the Australian Capital Territory. Patricia is also Chair of Diabetes Australia Limited and a director of the National Health Call Centre Network Limited. Patricia is a member of the Health Safety and Environment Committee and the Remuneration Committee.

Robert Wright

BCom FCPA

Independent Director

Appointed 11 February 2000

Robert Wright has over 30 years' financial management experience, having held a number of Chief Financial Officer positions, including Finance Director of David Jones Limited. He is currently the Chairman of SAI Global Limited, Super Retail Group Limited and APA Ethane Limited, the responsible entity of Ethane Pipeline Income Fund and was previously Chairman of Dexion Limited and RCL Group Limited. Robert is the Chairman of the Audit and Risk Management Committee and a member of the Health Safety and Environment Committee.

Management Team

Michael McCormack

BSurv GradDipEng MBA FAICD
Chief Executive Officer and Managing Director
Appointed 1 July 2006

Michael (Mick) McCormack has been Chief Executive Officer of APA Group since 1 July 2005 and Managing Director since 1 July 2006. Mick has over 25 years' experience in the gas infrastructure sector in Australia and his career has encompassed all aspects of the sector including commercial development, design, construction and operation and management of most of Australia's natural gas pipelines and gas distribution systems. Mick is a director of Envestra Limited and the Australian Pipeline Industry Association.

Peter Fredricson

BCom CA
Chief Financial Officer

Peter is responsible for all financial aspects of APA Group, including accounting and financial reporting, financial compliance and governance, taxation, treasury, balance sheet management and capital strategy, and insurance and risk. He is also responsible for both Investor Relations and Information Technology.

Peter joined APA Group in June 2009. He has considerable expertise in the listed energy infrastructure sector and over 20 years' experience in senior financial roles in financial services and investment banking organisations across Australia, New Zealand and Asia.

Ross Gersbach

BBus MAICD
Chief Executive Strategy and Development

Ross has responsibility for further enhancing APA Group's portfolio of assets that complement the value of its infrastructure, including APA Group's investments in gas-fired and wind power generation, and the operation and development of these assets. He is responsible for APA Group's Energy Investments, group strategy, regulatory and government affairs, environmental development and mergers and acquisitions.

Ross was previously a director of APA Group from 2004 to 2008. He joined the management team in April 2008 where he was responsible for all commercial aspects of APA Group. Ross has over 20 years' experience in senior positions across a range of energy related sectors, covering areas such as infrastructure investments, mergers and acquisitions and strategic developments. Additionally, Ross has extensive commercial experience and has managed a portfolio of infrastructure assets in the natural gas and electricity distribution network sector. Ross is a director of Envestra Limited.



APA GROUP STATEMENT

NOVEMBER 2012

A message for
HDUF Securityholders
from APA Group

1. Purpose

This statement relates to the Notice of Meeting dated 13 November 2012 issued by Hastings Funds Management Limited (**HFML**) as responsible entity (**RE**) of HDUF Epic Trust (ARSN 109 770 961), HDUF Finance Trust (ARSN 109 770 765) and HDUF Further Investments Trust (ARSN 109 897 921) (together, **HDUF**).

The Statement has been prepared by APT Pipelines Limited (**APTPL**) with the assistance of its parent entity Australian Pipeline Limited (ABN 99 091 344 704) (**APL**). APL is the internalised RE of Australian Pipeline Trust (ARSN 091 678 778) and APT Investment Trust (ARSN 115 585 441), which together comprise the ASX-listed **APA Group** (ASX: **APA**).

The purpose of the meeting will be for HDUF Securityholders to consider and if thought fit, pass a resolution that HFML retire as RE of HDUF, subject to HDUF Securityholders also approving a resolution to appoint APL as the RE of HDUF in its place (**Resolutions**).

2. Background

In December 2011, **APTPL**, a member of the **APA Group**, launched a takeover offer for all of the HDUF Stapled Securities. On 4 September 2012, a committee of independent directors of HFML unanimously recommended APTPL's offer in the absence of a superior proposal.

On 9 October 2012, APTPL declared the offer unconditional.

On 8 November 2012, HDUF announced it would convene a meeting so HDUF Securityholders could consider the proposed change of RE and to facilitate a smooth transition to APA as soon as practicable.

As at the day before the date of this Statement, APA Group held a relevant interest in over 88% of all the HDUF Stapled Securities.

APA Group is entitled to vote on the Resolutions and intends to vote in favour of both Resolutions.

3. Key reason to support the Resolutions

The key reason to support the Resolutions is that APL's interests are strongly aligned with the interests of HDUF Securityholders.

HFML and its related entities have all now accepted into the offer or disposed of their HDUF Stapled Securities. This means HFML no longer has an interest in HDUF Stapled Securities. By contrast, APA Group, with a relevant interest of over 85% in HDUF Stapled Securities, has a significant commercial interest in HDUF as a majority securityholder.



4. APA Group's intended strategy for HDUF

APL, as RE of HDUF, intends to implement the strategy set out in the Bidder's Statement dated 15 December 2011 and Fifth Supplementary Bidder's Statement dated 27 August 2012. Copies of these documents can be downloaded at www.asx.com.au.

4.1. If APA owns 90% or more of HDUF

If APTPL acquires at least 90% of the HDUF Stapled Securities, it intends to compulsorily acquire the remaining HDUF Stapled Securities it does not own. In those circumstances, if the Resolutions are passed, APL intends to:

- pursue the divestment of MAPS in compliance with an undertaking given to the Australian Competition and Consumer Commission (ACCC) to cause the divestiture of HDUF's Moomba to Adelaide Pipeline System Business to an ACCC approved purchaser; and
- arrange for HDUF to be removed from the official list of ASX and de-register HDUF as a registered managed investment scheme.

4.2. If APA owns less than 90% of HDUF

If the Resolutions are passed but APTPL acquires less than 90% ownership of HDUF, then APTPL will not be able to immediately proceed to compulsory acquisition. In those circumstances, APL is still required to comply with its ACCC undertaking to cause the divestment of MAPS. It will, to the extent possible, give effect to the other intentions set out above. APL has consulted with ASX regarding the potential to delist HDUF in this circumstance, and will undertake a review of the potential cost savings to be achieved.

Further, in these circumstances, APL intends to undertake a review of HDUF's existing capital structure and capital management strategy including:

- the potential for refinancing the Epic Energy group of companies existing \$1.375 billion debt and the anticipated associated costs (noting: APA's acquisition of over 75% of HDUF Stapled Securities has triggered a review event by the financiers of those debt facilities);
- upcoming capital requirements for the operation of the HDUF business; and
- the distribution policy.

The implementation of APA Group's intentions in the event that the Resolutions are passed and APA Group ultimately obtains less than 100% ownership of HDUF will be subject to the Corporations Act, the ASX Listing Rules (to the extent that HDUF remains listed) and the HDUF Constitutions, and to the obligations of the directors of APL to act in the best interests of HDUF and all HDUF Securityholders.

5. About APL and APA Group

5.1. APL

APL is the responsible entity of APA Group, a market leading pipeline owner and operator and Australia's largest natural gas infrastructure business. Further information about APA Group is set out in section 5.2 below.

APL has a quality management team, energy industry know-how and robust financial capability. If the Resolutions are passed, HDUF will also be able to take advantage of APL's experience and capabilities. For further information about APL's management expertise, refer to APA Group's 2012 annual report available at www.asx.com.au.

5.2. APA Group

APA Group is Australia's largest natural gas infrastructure business. It owns and/or operates approximately \$9 billion of energy infrastructure, which includes over 12,800 kilometres of gas transmission pipelines that span every state and territory on mainland Australia and deliver about half the nation's natural gas usage. APA Group also has an ownership interest in, and operates, gas distribution networks, related energy infrastructure assets such as gas storage facilities and a wind farm, and equity interests in a number of energy infrastructure enterprises.

APA Group has direct management and operational control over its assets and the majority of its investments.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10.30am (AEDT) Tuesday, 11 December 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Hastings Diversified Utilities Fund hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at a general meeting of Hastings Diversified Utilities Fund to be held at the offices of Hastings Funds Management Ltd at Level 10, 55 Market Street, Sydney on Thursday, 13 December 2012 at 10.30am (AEDT) and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	To be considered, and if thought fit, passed as an ordinary resolution: "Subject to Resolution 2 being passed, that Hastings Funds Management Limited (ABN 27 058 693 388) retire as responsible entity of HDUF Epic Trust (ARSN 109 770 961), HDUF Finance Trust (ARSN 109 770 765) and HDUF Further Investments Trust (ARSN 109 897 921) pursuant to the HDF Constitutions and section 601FL of the Corporations Act."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To be considered, and if thought fit, passed as an ordinary resolution: "Subject to Resolution 1 being passed, that Australian Pipeline Limited (ABN 99 091 344 704) be appointed as responsible entity of HDUF Epic Trust (ARSN 109 770 961), HDUF Finance Trust (ARSN 109 770 765) and HDUF Further Investments Trust (ARSN 109 897 921), pursuant to the HDF Constitutions and section 601FL of the Corporations Act."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

HSBC Building
Level 19
580 George Street
Sydney NSW 2000
PO Box R41
Royal Exchange NSW 1225

Phone 61 2 9693 0000
Fax 61 2 9693 0093
www.apa.com.au

APA Group



Australian Pipeline Ltd
ACN 091 344 704

Australian Pipeline Trust
ARSN 091 678 778

APT Investment Trust
ARSN 115 585 441

ASX ANNOUNCEMENT

15 November 2012

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

APA increases interest in HDF to over 90%

APA Group (ASX:APA) today announced it has now obtained a relevant interest in more than 90% of the securities in Hastings Diversified Utilities Fund (ASX:HDF).

As at 14 November 2012, APA has a relevant interest in 94.1% of all HDF securities.

In line with previous announcements, APA has now varied its offer by increasing the offer consideration by a further 8 cents cash per HDF security.

HDF securityholders who have accepted the offer do not need to do anything in order to receive the increased offer consideration. Payment will be made within seven business days.

APA will now proceed to compulsorily acquire the remaining HDF securities.

APA's offer will remain open for acceptances until 7.00pm (Sydney time) on 13 December 2012.

Notice of variation

In accordance with section 650D of the Corporations Act, attached is a notice of variation which formally increases the offer consideration. A copy of the notice of variation has been lodged with ASIC and will be given to HDF. The notice will also be sent to each HDF securityholder.

Mark Knapman
Company Secretary
Australian Pipeline Limited

For further information please contact:

Investor enquiries:

Chris Kotsaris
Telephone: (02) 9693 0049
Mob: 0402 060 508
Email: chris.kotsaris@apa.com.au

Media enquiries:

David Symons
Telephone: (02) 9212 4666
Mob: 0410 559 184
Email: david@catocounsel.com.au

About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating more than \$8 billion of gas transmission and distribution assets. Its pipelines and assets span every state and territory on mainland Australia, delivering 50% of the nation's gas usage. Unique amongst its peers, APA has direct management and operational control over its assets and the majority of its investments. APA also holds minority interests in energy infrastructure enterprises including Envestra, SEA Gas Pipeline and Energy Infrastructure Investments, and a majority interest in Hastings Diversified Utilities Fund.

APT Pipelines Limited is a fully owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, www.apa.com.au.

APT PIPELINES LIMITED (ABN 89 009 666 700) (A COMPANY WHOLLY OWNED BY AUSTRALIAN PIPELINE TRUST (ARSN 091 678 778)) ("BIDDER")

NOTICE OF VARIATION - INCREASE OF OFFER CONSIDERATION

TO: Hastings Funds Management Limited (ABN 27 058 693 388) in its capacity as responsible entity of the Hastings Diversified Utilities Fund ("HDUF")

Australian Securities and Investments Commission ("ASIC")

ASX Limited ("ASX")

Each person to whom an Offer was made

The Bidder gives notice under section 650D of the Corporations Act that its Offer for all of the HDUF Stapled Securities contained in its bidder's statement dated 15 December 2011 (as supplemented) ("Bidder's Statement") is varied by increasing the Offer Consideration under the Offer by 8 cents cash for each HDUF Stapled Security.

All references in the Bidder's Statement and Acceptance Form when referring to the Offer Consideration are replaced as necessary to reflect this increased Offer Consideration.

HDUF Securityholders who have accepted the Offer will receive the increased Offer Consideration and do not need to do anything in order to receive the increased Offer Consideration – it will be sent to those HDUF securityholders shortly.

The Offer was previously varied by notices under section 650D(1) of the Corporations Act dated 19 March 2012, 19 April 2012, 15 May 2012, 20 July 2012, 27 August 2012, 10 September 2012, 17 September 2012, 24 September 2012, 3 October 2012, 9 October 2012, 25 October 2012, 31 October 2012 and 14 November 2012.

All HDUF Securityholders will receive a notice informing them of the varied Offer. Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this notice.

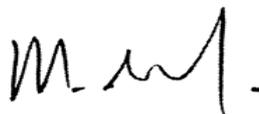
A copy of this notice was lodged with ASIC on 15 November 2012. ASIC takes no responsibility for the contents of this notice.

This notice is dated 15 November 2012.

Signed on behalf of APT Pipelines Limited (ABN 89 009 666 700).



Leonard Bleasel AM
Chairman



Michael McCormack
Director