

# ASX Announcement

Hastings Diversified Utilities Fund (HDF)

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**6 November 2009**

## Update on the SWQP Stage 3 Expansion Project

Hastings Funds Management Limited (Hastings), as Responsible Entity for HDF, today confirmed another milestone has been reached in the SWQP Stage 3 expansion project following receipt of credit approvals from a majority of the senior bank lenders. Senior debt of up to \$560 million is being sourced for the project.

In addition, Hastings has received credit approval from an international investment company for the funding of up to \$230 million through a subordinated loan note provided to Epic Energy. HDF will contribute \$55 million in equity to complete the funding mix.

The credit approvals have been received on the basis of negotiated and agreed terms and conditions, although funding remains subject to completion of documentation. A small number of additional approvals from overseas lenders are expected in the next few days.

These credit approvals provide Epic Energy with the confidence to order the manufacture and delivery of \$245 million of steel line pipe from both Australian and overseas manufacturers. This confirms the steel contract price negotiated earlier in the year and ensures that the SWQP Stage 3 expansion remains on target for completion by 1 January, 2012.

As previously announced the majority of costs associated with the project are fixed. Revenues associated with the expansion project are underpinned by long term take or pay agreements with Origin and AGL.

Hastings Chief Executive Steve Boulton said, "Notwithstanding tougher credit conditions in the market the negotiated funding structure remains within the project business case and Hastings remains confident that the project will represent long term value for HDF securityholders. Final funding documentation remains on target for completion by the end of November 2009."

Epic Energy Managing Director Steve Banning added, "This is an important development for not only Epic Energy but also for the broader gas market in eastern Australia. Once completed, the expansion will be business transforming and value accretive for Epic Energy. Additionally, the expansion will reaffirm that south east Queensland continues to be a major supplier of gas for the eastern Australian market."

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A handwritten signature in black ink, appearing to read 'Claire Filson', with a long horizontal flourish extending to the right.

**Claire Filson**  
**Company Secretary**  
Hastings Funds Management Limited