



## ASX Announcement

### Hastings Diversified Utilities Fund (HDF)

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13 July 2007

### Epic Energy signs foundation contract with AGL underpinning construction of the QSN Link (formerly known as the BMI)

Epic Energy (Epic) today announced that it has signed a new long term contract with AGL to transport gas from Eastern Queensland and deliver it onto Epic's Moomba to Adelaide Pipeline (MAPS) and the Moomba to Sydney Pipeline (MSP). This will be achieved through the construction of the Queensland to South Australia/New South Wales Link (QSN Link, formerly known as the BMI) joining Epic's South West Queensland Pipeline (SWQP) and Epic's MAPS, together with providing a delivery point onto the MSP.

HDF Chief Operating Officer, Tom Meinert said, "This is a significant and exciting development for HDF and demonstrates the quality and long term growth prospects of the HDF assets. The construction of the QSN Link will ensure that the Epic pipeline assets will continue to be one of HDF's key assets over the longer term."

Attached is the release from Epic Energy including a map showing the QSN Link.

**HDF will host a conference call at 12 noon today.** To participate in the conference call, please dial-in on **+61 2 8113 1400** or **1800 097 137**, and enter the confirmation code **821 6815**.

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## PRESS RELEASE

# Epic Energy Holdings Pty Ltd

13 July 2007

## Epic Energy signs foundation contract with AGL underpinning construction of the QSN Link (formerly known as the BMI)

Epic Energy (**Epic**) today announced that it has signed a new long term contract with AGL to transport gas from Eastern Queensland and deliver it onto Epic's Moomba to Adelaide Pipeline (**MAPS**) and the Moomba to Sydney Pipeline (**MSP**). This will be achieved through the construction of the Queensland to South Australia/New South Wales Link (**QSN Link**, formerly known as the BMI) joining Epic's South West Queensland Pipeline (**SWQP**) and Epic's MAPS, together with providing a delivery point onto the MSP.

First deliveries are due in January 2009 with the contract running for a minimum term of 15 years. The contract will underpin the construction of the QSN Link together with capacity expansion on the SWQP through the addition of mid-line compression and the installation of compression at the eastern end of the SWQP.

Under the new contract with AGL, Epic will transport 390 PJs over the term. Flexible options exist for AGL to increase this amount in the future and also to extend the term by a maximum of 5 years.

Epic Energy's Managing Director, Alan Freer said, "The contract between Epic and AGL is the most significant contracting event in Epic's recent history. Over time, the QSN Link will help to generate significant cash flows from both of Epic's Eastern Australia pipelines. It will achieve this by providing long term, competitively priced gas at the top end of the MAPS. The capacity expansion on the SWQP will also help facilitate growth in the Mt Isa market. This announcement demonstrates the depth and value of Queensland CSM to North West Queensland and southern markets."

Epic's GM Commercial, Steve Banning said, "This is an exciting development for Epic Energy as it ensures that the Epic pipelines will remain of strategic value to the Eastern Australian gas market. In addition, this reinforces Epic's growth prospects, with additional capacity still available on the SWQP and MAPS."

The QSN Link will be a 180km, 350 mm diameter extension of the SWQP and has been designed to be able to transport up to 190TJ/d when fully compressed. The total cost of the QSN Link, together with associated compression, is expected to be around \$140 million. Construction is expected to be completed by December 2008.

The addition of compression to the SWQP will increase its capacity to approximately 170TJ/d, with a small amount of spare capacity remaining once the AGL contract and other existing contracts are taken in to account. If required, the SWQP can be further expanded through additional compression up to a maximum capacity of 300 TJs per day. Epic would envisage that markets in Mt Isa, Adelaide and Sydney will benefit from this and subsequent investments.

Epic will be the sole owner and operator of the QSN Link and associated compression facilities.

Epic Energy is wholly owned by Hastings Diversified Utilities Fund.

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*See Map attached.*

Map illustrating the QSN Link



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