Hastings Funds Management

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ASX Announcement

Hastings Diversified Utilities Fund (HDF)

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Rejection of the takeover offer by the APA Group

As previously noted by Hastings Funds Management Limited (Hastings), the APA Group has announced its intention to make a takeover offer for all the securities of HDF it does not own, at a price of 0.326 APA Group stapled securities and $0.50 cash per HDF security.

The Board of Hastings has carefully considered the proposed offer and unanimously recommends that HDF securityholders reject it.

The Hastings Board considers that the APA Group's highly conditional offer undervalues HDF securities and does not account for HDF's significant cash flow growth that is both contracted and prospective. In reaching this conclusion, the Board took into account its thorough understanding and knowledge of HDF's operations and its assets.

The Hastings Board will detail its views regarding the proposed offer in the target's statement which will be mailed to all securityholders following the receipt of the bidder's statement.

HDF securityholders are advised to take no action in relation to the APA Group's proposed offer.

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