DUET Company Limited (DUECo)
ABN 93 163 100 061
DUET Investment Holdings Limited (DIHL)
ABN 22 120 456 573
DUET Finance Limited (DFL)
ABN 15 108 014 062
AFS Licence No. 269287

Level 15, 55 Hunter Street
SYDNEY NSW 2000
GPO Box 5282
SYDNEY NSW 2001
AUSTRALIA

Telephone +61 2 8224 2750
Facsimile +61 2 8224 2799
Internet www.duet.net.au

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16 January 2014

ASX RELEASE

FORTESCUE RIVER GAS PIPELINE PROJECT AND $100M PLACEMENT

DUET Group (DUET or the Group) is pleased to announce that DBP Development Group (DDG) has formed a joint venture with TransAlta's 100%-owned subsidiary TEC Pilbara Pty Ltd (Joint Venture) to build, own and operate a natural gas transmission pipeline (Fortescue River Gas Pipeline or the Project). DDG holds a 57% interest in the Joint Venture and TransAlta holds 43%.

The Project involves the construction of a 270 kilometre, 16 inch pipeline connecting the Dampier Bunbury Natural Gas Pipeline (DBNGP) to TransAlta's 125MW power station situated at Fortescue Metals Group Limited's (Fortescue) Solomon Hub iron ore operations in Western Australia's Pilbara region.

An initial 20-year, 100% take-or-pay gas transportation contract has been executed between the Joint Venture and FMG Pilbara Pty Limited, a 100%-owned subsidiary of Fortescue, as the foundation shipper on the Fortescue River Gas Pipeline.

The Project is expected to be completed by 31 December 2014 at an estimated total cost of $178 million (DDG's share: $101.4 million), generating a forecast ungeared project internal rate of return of 10.3%.

DUET's Chief Executive Officer, Mr David Bartholomew, stated that "The Project further showcases DDG's capabilities as a developer, owner and operator of new gas transmission pipelines. By leveraging the expertise of DBP's management team and the strategic location of the DBNGP, DUET has been successful in securing an attractive investment opportunity for our investors. Combined with the recent Wheatstone Ashburton West Pipeline project win, the Project validates our plan for DDG, a business which is expected to be an important source of future growth for DUET."

Capital Raising

Institutional Placement

To fund DDG's participation in the Project, DUET has launched a fully underwritten placement to eligible institutional investors to raise approximately $100 million (the Placement).

The Placement will be conducted via a variable price bookbuild with an underwritten floor price of $2.01 per new stapled security (Underwritten Price). The final price (Placement Price) will be determined via the bookbuild. The Underwritten Price represents a 2.4% discount to last close on 15 January 2014 ($2.06).

As DUECo is the parent entity of the DUET Group, it and DIHL (as corporate arm) are responsible for all information contained in this ASX announcement. DFL and DFT (as funding arm) are only responsible for information under the headings "Capital Raising" and "Distribution Guidance" contained in this announcement.

DUET's stapled securities will remain in trading halt today while the placement is conducted. Normal trading in DUET's stapled securities is expected to recommence tomorrow or such other time that is announced to the market. New stapled securities issued under the Placement will rank equally with existing stapled securities and are expected to settle on Wednesday, 22 January 2014 and be allotted on the following business day, Thursday, 23 January 2014.

An investor presentation and copy of DDG's media release is attached to this release.

Stapled Security Purchase Plan (SPP)

In addition to the Placement, DUET will also offer eligible stapled securityholders[1] the opportunity to participate in a SPP.

Further details on the SPP, to be capped to raise a total of $30 million, will be provided at the time of announcement of DUET's FY14 interim financial results on 21 February 2014.

New stapled securities to be issued under the SPP will be priced at the lower of:

- the Placement Price; or
- a discount[2] to the 5 day volume weighted average price up to and including the closing date for the SPP applications.

Funds raised from the SPP are expected to be applied by DUET to fund capital expenditure at each of United Energy and Multinet Gas.

Distribution Guidance

DUET's distribution guidance of 17 cents per stapled security in FY14 is unchanged. This guidance and the forecast return to be generated by the Project is subject to DUET's forecast assumptions being met.

Conference Call

Investors and analysts are invited to participate in a conference call with DUET's management team at 10:30am AEDT on 16 January 2014 to discuss the Project and the attached investor presentation.

Please dial the number below and quote the password "**DUET**" and the Conference ID "**731643**":

- from within Australia – 1800 558 698
- from outside Australia – +61 2 9007 3187

For further enquiries, please contact:

Investor Enquiries:		Media Enquiries:	
Nick Kuys		**Ben Wilson**	
GM Operations and Investor Relations		Public Affairs Manager	
Tel:	+61 2 8224 2727	Tel:	+61 407 966 083
Email:	n.kuys@duet.net.au	Email:	benw@coswaypr.com.au

[1]Eligible stapled securityholders are securityholders who are registered holders of DUET stapled securities as at 7pm (Sydney time) on 15 January 2014 (Record Date) with a registered address in Australia or New Zealand and not in the United States and are not acting for the account or benefit of U.S. Persons (defined below).
[2]The level of discount will be confirmed on 21 February 2014.

Further information in relation to the specific details of the Placement described in this announcement including important notices and key risks in relation to certain forward looking information is set out in an investor presentation released to ASX today by DUET. The information in the 'Disclaimer' and 'Key Risks' sections of the investor presentation applies to this announcement as if set out in full in this announcement.

This press release includes "forward looking statements" within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "guidance" and other similar expressions. Indications of, and guidance on, future earning or distributions and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of DUET, and its officers, employees, agents or associates, that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and DUET assumes no obligation to update such information.

To the extent that this document contains any general financial product advice in connection with DUECo shares and DIHL shares, that advice is provided by DUECo and DIHL respectively. Neither DUECo nor DIHL holds an Australian financial services licence and they are not licensed to provide financial product advice in relation to DUECo or DIHL shares (or any other financial products). Any financial product advice included in this presentation has been prepared without taking into account any recipient's particular objectives, financial situation or needs. Before a recipient takes any investment action in relation to DUET they should consider whether that action is appropriate having regard to their own objectives, financial situation and needs and also whether to consult an authorised investment adviser. No prospectus or Product Disclosure Statement is currently available in relation to DUET.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy. any securities in the United States, or to, or for the account or benefit of, any "U.S. person" (as defined in Rule 902(k) under the U.S. Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The New Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. In addition, none of the DUET Group entities have been, or will be, registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance on the exception provided by Section 3(c)(7) thereof. Accordingly, the New Securities cannot be held at any time by, or for the account or benefit of, any U.S. Person who is not both a "qualified institutional buyer", as defined under Rule 144A under the Securities Act ("QIB"), and a "qualified purchaser", as defined in section 2(a)(51) of the Investment Company Act ("QP"), as at the time of acquisition of the New Securities. Any U.S. Person who is not both a QIB and a QP (or any investor who holds New Securities for the account or benefit of any U.S. Person who is not both a QIB and a QP) is an "Excluded U.S. Person". DUET may require an investor to complete a statutory declaration as to whether they (or any person on whose account or benefit it holds New Securities) are an Excluded U.S. Person. DUET may treat any investor who does not comply with such a request as an Excluded U.S. Person. DUET has the right to: (i) refuse to register a transfer of New Securities to any Excluded U.S. Person; or (ii) require any Excluded U.S. Person to dispose of their New Securities; or (iii) if the Excluded U.S. Person does not do so within 30 business days, require the New Securities be sold by a nominee appointed by DUET. To monitor compliance with these foreign ownership restrictions, the ASX's settlement facility operator (ASTC) has classified the New Securities as Foreign Ownership Restricted financial products and put in place certain additional monitoring procedures. The New Securities may only be resold or transferred in regular brokered transactions on ASX in accordance with the Regulation S under the Securities Act where neither such investor nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a U.S. Person or is acting for the account or benefit of a person in the United States or a U.S. Person, in each case in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in reliance on, and in compliance with, Regulation S under the Securities Act.

Media Statement
16 January 2014

DBP Development Group and TransAlta sign pipeline deal with Fortescue Metals Group

DBP Development Group (DDG), 100% owned by DUET Group (ASX: DUE), is pleased to announce it has formed an unincorporated joint venture with TEC Pilbara Pty Ltd (a 100% owned subsidiary of TransAlta Corporation) (TSX: TA; NYSE: TAC). The joint venture is to be called the Fortescue River Gas Pipeline JV. Its first project will be to build, own and operate a natural gas pipeline from the Dampier Bunbury Natural Gas Pipeline (DBNGP) to Fortescue Metal Group's (ASX: FMG, Fortescue) Solomon Hub operations in Western Australia's Pilbara region.

The 16 inch diameter pipeline – which will be called the Fortescue River Gas Pipeline - will run from the DBNGP's compressor station one (CS1) around 150km south of Karratha through to Solomon Hub, a distance of 270 kilometres. The pipeline will supply natural gas to the 125MW TransAlta power station which services Fortescue's mining operations in the region.

- The project has an estimated total cost of $178 million.
- The Fortescue River Gas Pipeline will be the longest gas pipeline built in Western Australia during the past 10 years.
- A Fortescue subsidiary, FMG Pilbara Pty Ltd, will be the foundation shipper on the pipeline under a 20-year, 100% take-or-pay gas transportation contract with the Joint Venture.

The Joint Venture (in which a DDG company - DDG FR Pty Ltd - will have a 57% interest and TransAlta the remaining 43%) combines the natural gas pipeline expertise of DDG with TransAlta's experience of providing reliable power to remote operations in Western Australia.

DBP Chief Executive Officer Mr. Stuart Johnston said the project would see up to 200 new local jobs created during construction, including involvement from local indigenous communities and over 70% of the project costs spent in Australia.

"Construction is scheduled to commence in July 2014 with completion around the end of the year," Mr. Johnston said, adding "we're hopeful that there will be opportunities for further expansion of the pipeline to other locations in the Pilbara."

"We are particularly delighted with this news as it comes following our recent announcement of DDG's appointment to build, own and operate the domestic gas pipeline for the Chevron-operated Wheatstone project.

"DBP has an outstanding reputation as a safe and reliable developer, owner and operator of critical pipeline infrastructure in Western Australia, and we look forward to ensuring the standards we set are continued on this important project."

ENDS

DBP Media contact
Gemma Tognini
+61 08 9227 ‑ 8195
gtmedia strategic communication

About DBP Development Group:
DDG is 100% owned by DUET Group. DDG will be the owner and operator of the Ashburton West Pipeline which, when construction is complete, will connect an existing gas pipeline system to the DBNGP. DDG was established in 2011 to develop, own and operate gas pipelines and associated infrastructure.

About Fortescue:
Fortescue Metals Group is the world's fourth largest producer of iron ore and a top 20 ASX-listed company. Since its formation 10 years ago, Fortescue has developed five mines and constructed world class port and rail facilities in the Pilbara region of Western Australia. The recent completion of the 40 million tonne per annum Kings mine at the Solomon Hub will lift Fortescue's sustainable production capacity to 155mtpa by March 2014. By unlocking the potential of the Pilbara, Fortescue is playing an important role in supporting China's urbanisation and industrialisation. Fortescue shipped its first cargo of iron ore to Baosteel, one of China's largest steelmakers, in 2008. It has since exported more than 290 million tonnes of iron ore, including 11 million tonnes for third parties, to customers in China and South East Asia.

About TransAlta:
TransAlta is a power generation and wholesale marketing company focused on creating long-term shareholder value. TransAlta maintains a low-to-moderate risk profile by operating a highly contracted portfolio of assets in Canada, the United States and Australia. TransAlta's focus is to efficiently operate geothermal, wind, hydro, natural gas and coal facilities in order to provide customers with a reliable, low-cost source of power. For over 100 years, TransAlta has been a responsible operator and a proud contributor to the communities in which it works and lives. TransAlta has been selected by Sustainalytics as one of Canada's Top 50 Socially Responsible Companies since 2009 and is recognized globally for its leadership on sustainability and corporate responsibility standards by FTSE4Good.

DUET GROUP

Investor Presentation

Fortescue River Gas Pipeline and DUET Group Placement

16 January 2014

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Disclaimer

Important Information

The DUET Group comprises DUET Company Limited (ABN 93 163 100 061) (“DUECo”), DUET Investment Holdings Limited (“DIHL)” (ABN 22 120 456 573) and DUET Finance Limited (ABN 15 108 014 062) (“DFL”) (AFSL 269287) in its personal capacity and as responsible entity of DUET Finance Trust (“DFT”) (ARSN 109 363 135) (DUECo, DIHL, DFL and DFT are collectively referred to as “DUET” or “DUET Group”). DUET may refer to any entity of the DUET Group or all of them or any combination thereof. As DUECo is the parent entity of the DUET Group, it and DIHL (as the corporate arm) are responsible for all information contained in this document. DFL and DFT (as the funding arm) are only responsible for the pages headed “Placement” and “Appendix ”.

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Capital returns not guaranteed

Investment in any fund is subject to significant risks of loss of income and capital. To the maximum extent permitted by law, none of DUECo, DIHL, DFL, their directors, employees or agents, accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of DUECo, DIHL, DFL or their directors, employees or agents. Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding purchasing or selling, securities or other instruments in DUET Group. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts are, by their very nature, subject to uncertainty and contingencies, many of which are outside the control of DUET Group. Past performance is not a reliable indication of future performance.

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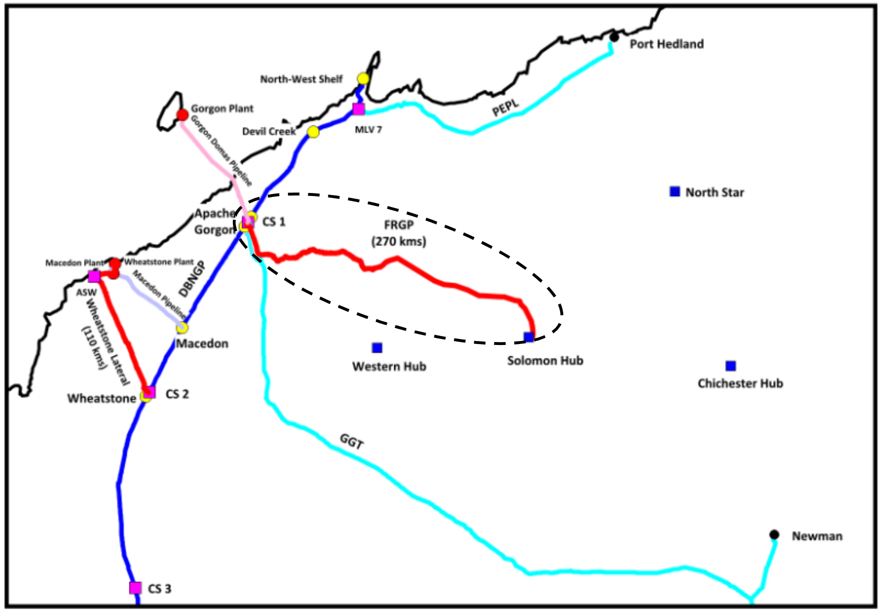
Fortescue River Gas Pipeline

Gas transmission pipeline to the heart of the Pilbara

Project Details

Owner	▪ Fortescue River Gas Pipeline Joint Venture (FRGP JV) • 57% DDG FR Pty Ltd (100% owned by DIHL) • 43% TEC Pilbara Pty Ltd (100% owned by TransAlta)
Customer	▪ FMG Pilbara Pty Ltd (FMG Pilbara), a subsidiary of Fortescue Metals Group Limited (Fortescue)
The Project	▪ Fortescue River Gas Pipeline (the Project) ▪ Links DUET's majority-owned Dampier to Bunbury Natural Gas Pipeline (DBNGP) at compressor station 1 with TransAlta's 125MW dual-fuel power station at Solomon Hub ▪ Includes: • Construction of a 270km, 16-inch pipeline • A 20-year initial term, 100% take-or-pay gas transportation contract with FMG Pilbara
Contracted Capacity	▪ Initial free flow capacity of 64 TJ/day
Completion Date	▪ Practical completion expected by 31 December 2014
Project Cost	▪ Estimated at $178 million (DDG FR's share: $101.4 million)
Project Returns	▪ 10.3% ungeared project internal rate of return[1]

Project Map



Fortescue controlled projects

DBP Development Group pipeline projects announced in FY14 to date

1. Subject to DUET's forecast assumptions being met.

Joint Venture

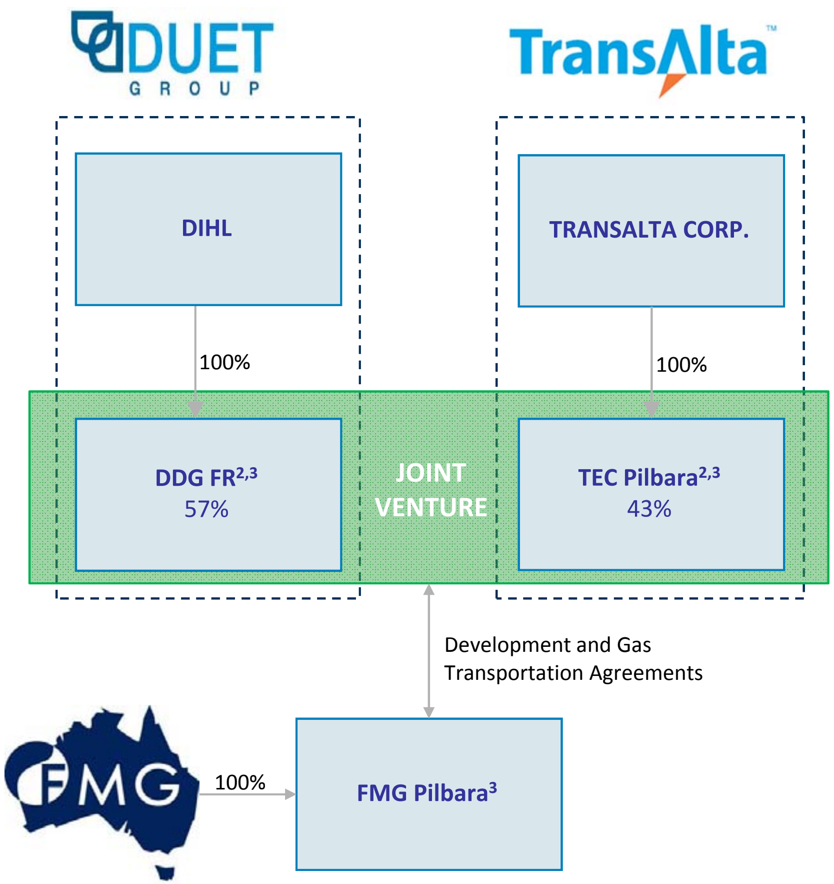
Strategic relationship with TransAlta

TransAlta

TransAlta, ultimate parent of TEC Pilbara

- Listed on Toronto and New York Stock Exchanges
- US$3.4 billion[1] market capitalisation
- TEC Pilbara, 100% owned and controlled by TransAlta Energy (Australia) Pty Ltd
- TransAlta owns six power stations in Australia:
  - Solomon Power Station – Solomon Hub, Pilbara (125MW) (100% owned)
  - Southern Cross Energy – Eastern Goldfields (4 facilities – 245MW) (100% owned)
  - Parkeston Power Station – Kalgoorlie, Goldfields (110MW) (50% owned)

Unincorporated JV Structure



1. As at 14 January 2014.
2. Mutual pre-emptive rights over each JV counterparty interest. FMG Pilbara has a secondary pre-emptive right over each JV counterparty's interest and over the sale of the pipeline.
3. Supported by parent company guarantees.

Project Counterparties

Experienced contractor and a strong customer

DUET GROUP

Construction Contract

- **Lump sum contract[1]**
- **Experience with DBP and DDG**

Monadelphous KT PIPELINES

- Specialises in the construction of pipelines and facilities
- Deliver projects for pipeline owners in the oil and gas and resource sectors in Australasia
- Already engaged to deliver DDG's Wheatstone Ashburton West Pipeline project

Gas Transportation Contract

- **20-year 100% take-or-pay**
- **At least 6x5-year extension options exercisable by FMG Pilbara**

FMG Fortescue The New Force in Iron Ore

- Owner of the Solomon Hub
- More than 3 billion tonnes of resources have been identified at the Solomon Hub
- Provides Fortescue with a long term energy solution to reduce operating costs
- The US$3.2 billion Solomon Hub has two ore processing facilities, three primary crushing facilities and a 125MW power station (owned by TransAlta)

Support Services

- **Provider of pipeline expertise**

dbp

- Operator of the DBNGP
- Experienced builder, owner and operator of gas transmission pipelines
- Majority-owned by DUET Group

Source: Company Information

1. Construction Contract includes Provisional Sums of approximately $9 million in aggregate for hard rock trenching and river crossings.

Solomon Hub

Power Station and Mining Operations

Project details

Solomon Power Station	▪ Designed and constructed by Fortescue, acquired by TransAlta in late 2012 ▪ 125MW capacity • 2 GE LM6000 turbines • 4 Solar Titan 130 turbines • Diesel and gas dual fuel capabilities ▪ Fully contracted with FMG Solomon under a long-term Power Purchase Agreement
Solomon Hub Mine	▪ The Solomon Hub iron ore mine provides low-cost ore to the Fortescue Metals Group portfolio ▪ Ore reserve consists of the Firetail, Kings and Queens deposits • Firetail was formally commissioned in May 2013 • Development of the Kings deposit underway (commissioned and ramping up to 40mtpa by March 2014) ▪ Firetail and Kings deposits expected to produce 20mtpa and 40mtpa respectively ▪ Solomon Hub – estimated reserves of 827Mt • 12% proved, 57.8% average iron grade
Benefit of FRGP for Solomon mines	▪ Switch from diesel to gas generation to reduce energy cost

Source: Company Information

Risk Mitigation Features

Construction			Operation
Price	**Program**	**Delivery**	**Operation**
▪ Lump sum linepipe and construction contracts[1] ▪ Cost pass-through for contingencies and Provisional Sums ▪ JV can recover specified cost over-runs (but will not earn a return on those costs)	▪ Liquidated damages with pipe supplier and construction contractor limit DDG's exposure to Fortescue[2] ▪ Significant period between date for completion and the date that liquidated damages become payable ▪ Force Majeure clauses	▪ Cure periods apply before any step-in or buy-out is triggered[3] ▪ Price for buy-out includes all budgeted project costs ▪ Native title and heritage agreements finalised	▪ 20-year take-or-pay tariff from the first gas date (expected January 2015) ▪ O&M charge reset: • Annually for CPI indexing • Every 5 years for change in costs >+/- 15% ▪ Cure periods apply before any step-in or buy-out is triggered for default by FRGP JV[4,5]

Important note: Refer to the Appendix for further details on Key Risks.

1. Construction Contract includes Provisional Sums of approximately $9 million in aggregate for hard rock trenching and river crossings.
2. FMG Pilbara may have recourse to capped parent guarantees from DUET Investment Holdings Limited and TransAlta Corporation.
3. FMG Pilbara also has a buy-out right without cause during construction at a premium price.
4. FMG Pilbara also has a buy-out right without cause after 5th anniversary of the date of first gas. A premium price applies to the buy out until the 15th anniversary of first gas.
5. FMG Pilbara also has a step-in right on the occurrence of certain events which may give rise to health, safety and/or environmental risks.

Investment Rationale

Attractive and accretive investment opportunity

Investment Rationale	▪ Further leverages the engineering and commercial skills of DBP management team ▪ Strong track record in pipeline development, construction and operation ▪ Continues to diversify the Group's revenue base ▪ Forecast 10.3% ungeared project internal rate of return[1] ▪ Demonstrates DUET's ability to continue to secure accretive growth opportunities – DUET and DDG are actively looking at other pipeline opportunities in Western Australia[2] ▪ Expected to open potential opportunities for gas delivery to other Fortescue and third party remote mining operations in the Pilbara[2,3]
Distribution Guidance	▪ 17 cents per stapled security in FY14; unchanged ▪ Subject to DUET's forecast assumptions being met

1. Subject to DUET's forecast assumptions being met.
2. Any successful opportunities are likely to require further capital contributions from DUET.
3. Subject to FMG Pilbara's foundation shipper rights, which include a right in relation to expansions and extensions, 'most favoured nation' rebate and revenue sharing for third party use of the pipeline during the term of the GTA.

Placement

$100m underwritten placement

Placement Structure and Size	▪ Fully underwritten placement to eligible institutional, professional and sophisticated investors ▪ Placement to raise approximately $100 million
Placement Price	▪ Final price to be determined via bookbuild ▪ Underwritten floor price of $2.01 per new stapled security (New Stapled Security) (Underwritten Price) ▪ The Underwritten Price represents a 2.4% discount to last close on 15 January 2014 ($2.06)
Ranking of New Stapled Securities	▪ New Stapled Securities will rank equally with existing stapled securities on issue
Key Dates	▪ Trading halt: 16 January 2014 ▪ Trading halt lifted: 17 January 2014 ▪ Settlement of New Stapled Securities: 22 January 2014 ▪ Allotment and trading of New Stapled Securities: 23 January 2014
Anticipated Use of Funds	▪ DUET's JV share of project costs

Note: DUET Group has also announced a stapled security purchase plan capped at $30 million to be made available to eligible stapled securityholders on 21 February 2014.

Questions

Appendix
Key Risks

This page and the following pages discusses some of the key risks associated with an investment in DUET. Before investing in the New Stapled Securities, you should consider whether the investment is suitable for you. Potential Investors should consider publicly available information on DUET (such as that available on the websites of DUET and the ASX), carefully consider their personal circumstances and decide if they should consult with their stockbroker, lawyer, accountant or other professional adviser before making an investment decision. DUET's financial performance, distributions and the market price of Stapled Securities may be adversely affected, sometimes materially, by a number of risk factors. These risks include, but are not limited to, the risks set out in this section.

Project risk
The Project is conditional on FMG Pilbara executing an Access Deed with DDG. Normal approvals risks associated with the construction and operation phases of the Project include four main categories of approvals namely those related to native title, land access (including easements), the Pipeline licence and environmental matters. Should any delays be encountered in obtaining those approvals this may adversely affect DUET's return on the Project. There is also a risk that the actual cost of the project exceeds the budgeted and recoverable amounts which may impact DUET's returns.

Regulatory risk
The DUET Group operates in regulated industries and carries out its business activities under various permits, licences, approvals and authorities from regulatory bodies. Regulatory bodies are responsible for setting tariffs which directly impact a significant proportion of the DUET Group's revenue and therefore any adverse change to regulatory tariffs would negatively impact the DUET Group's profitability. In addition, if any permits, licences, approvals or authorities are revoked, or if the DUET Group breaches its permitted operating conditions, this would adversely impact the DUET Group's operations and profitability. DUET Group's operating businesses must satisfy a prudency test for network and non-network expenditure (including expenditure related to the roll-out of advanced metering infrastructure) to be recovered through the regulatory revenue mechanism. There is a risk that despite expenditure being incurred by DUET's operating businesses, the recovery of this expenditure is disallowed by the relevant regulatory body.

Regulatory determinations affecting DUET's operating businesses over the next 36 months include:
- United Energy's 2016-2020 Electricity Distribution Price Review and Advanced Metering Infrastructure Price Review by the Australian Energy Regulator (AER); and
- Dampier to Bunbury's 2016-2020 Gas Access Arrangement Review by the Economic Regulation Authority of Western Australia.

Health and safety claims
Failure to implement effective workplace health and safety (WHS) and public safety procedures at DUET Group's asset companies would give rise to WHS and/or public safety risks which in turn may create reputational or regulatory risk.

Interest rate risk
The risk that changes in the DUET Group's companies' credit ratings, prevailing market interest rates and the strength of capital markets will influence the DUET Group's companies' interest costs and their ability to refinance debt respectively.

General economic conditions
The DUET Group's operating and financial performance is influenced by a variety of general economic and business conditions, including interest rates, exchange rates, commodity prices, ability to access funding, oversupply and demand conditions, government fiscal, monetary and regulatory policies, changes in gross domestic product and economic growth, employment levels and consumer spending, consumer and investment sentiment and property market volatility. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on the DUET Group's operating and financial performance.

Appendix

Key Risks (cont'd)

Employees
The DUET Group's continued success is partly dependent on its ability to recruit, train, retain and motivate senior executives and employees. There is a risk that the DUET Group may be unable to attract or retain key personnel and specialist skills and may lose corporate memory.

Climate Risks
Changes in weather patterns as a result of climate change could have an adverse effect on the DUET Group's operating businesses (such as the impact on UED's electricity distribution business of an increase in the frequency and duration of storms) increasing both capital and operating costs. Volumes carried on the networks may vary due to weather conditions (as well as due to other factors such as changes in industrial use, seasonality, general economic conditions and use of competing sources of energy).

Litigation and disputes
The risk that the DUET Group will become involved in litigation or disputes, which could adversely affect financial performance.

Counterparty risk
The DUET Group and its businesses are exposed to credit-related losses if counterparties to contracts (including counterparties to derivative instruments which the DUET Group and its operating businesses use to manage financial and commodity price risks) fail to meet their obligations. This could occur if a gas shipper, retailer, co-investor or operating partner were to become insolvent or not meet its financial obligations to DUET Group and/or the businesses.

Tax
The risk that changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which the DUET Group operates, may impact the tax liabilities of the DUET Group and the assets in which it holds an interest.

ASX Listing
The members of the DUET Group being listed on ASX imposes various listing obligations with which they must comply on an ongoing basis. Whilst they must comply with their listing obligations, there can be no assurance that the requirements necessary to maintain the listing of New Stapled Securities will continue to be met or will remain unchanged.

Inflation
Lower than expected inflation rates generally or specific to the sectors in which the DUET Group operates could be expected to reduce the rate of increase in inflation-linked revenues. Higher than expected inflation will increase operating and development costs. Such changes could adversely impact the DUET Group's financial performance.

Changes in accounting standards or policy
The members of the DUET Group will be subject to the usual business risk that there may be changes in accounting standards or their own accounting policies which have an adverse impact on them.

Refinancing and credit ratings
The DUET Group's operating businesses maintain investment grade credit ratings with recognised ratings agencies. The DUET Group's operating businesses also have significant external borrowing commitments and regularly raise and refinance debt in domestic and global markets. There is a risk that credit rating agency criteria may change in the future resulting in credit rating downgrades for one or more of the DUET Group's operating businesses which would increase the cost of borrowing and/or impact the availability of certain capital markets for their funding needs.

Appendix

Key Risks (cont'd)

Market risks

The price at which New Stapled Securities trade on ASX may be determined by a range of factors, in addition to those detailed above, for example:

- changes to local and international stock markets;
- changes in interest rates;
- changes to the relevant indices in which the DUET Group may participate, the weighting that the DUET Group has in the indices and the implication of those matters for institutional investors that impact their investment holdings in New Stapled Securities;
- global geo-political events and hostilities;
- investor perceptions;
- changes in government, fiscal, monetary and regulatory policies; and
- demand and supply of listed infrastructure trust securities.

Stapled structure

There are inherent risks associated with a stapled structure. For example, the boards of the various stapled entities comprising the DUET Group may not agree on certain matters that involve the approval of all of these boards.

No assurance of liquidity or trading price

There can be no assurance that the DUET Group securities will trade at any particular price or as to liquidity of trading or that any capital growth in the assets will translate into a higher price at which the DUET Group securities trade. It should also be noted that the historical security price performance of DUET Group securities provides no guidance as to the future security price performance.

No assurance of distributions on securities

The DUET Group's future distribution levels will be determined having regard to future operating results and financial position of the assets and of the DUET Group, and are not guaranteed. There can be no assurance that any distributions will be paid or, if paid, that they will be paid at previous levels or consistent with any distribution guidance.

Other factors

Other factors that may impact on an entity's performance include changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets, including as a result of terrorist attacks or war.