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7 August 2014

ASX RELEASE

DBP RECONTRACTS WITH ITS SHIPPERS

DUET Group (DUET) is pleased to announce that DBP has reached agreement to recontract with shippers representing most of its firm full haul capacity under its Standard Shipper Contracts (New SSCs).

DBP will now have tariff certainty for more than 85% of DBP's aggregate firm full haul contracted capacity (including Alcoa's exempt contract). This means that less than 15% of DBP's firm full haul contracted capacity will now be subject to the 2016 regulatory tariff determination.

The tariff payable under the New SSCs represents an initial reduction of approximately 9.5% to DBP's existing Standard Shipper Contract (Original SSC) tariff. The New SSC tariff will be escalated annually. The contracts retain the existing take-or-pay tariff structure and extend the contract term with participating shippers to between 2025 and 2033 (with two further five year extension options)¹.

As part of the agreement, some of DBP's shippers (the 2014 Shippers) have brought forward a portion of their relinquishment rights². As a result, DBP's aggregate contracted capacity from 1 July 2014 will be 58TJ/day lower, representing around 7% of previous firm full haul contracted capacity.

DUET's CEO, David Bartholomew said, "This is a positive outcome for DBP. Recontracting reinforces DBP's strong long term shipper relationships and underpins Western Australia's most important energy infrastructure asset. Recontracting ahead of the 2016 regulatory tariff determination was compelling for both DBP and its shippers. By recontracting now, we have been able to secure revenue certainty for DBP and certainty on gas transportation costs for our shippers."

Mr Bartholomew added, "Recontracting provided DBP with the opportunity to reset and extend its hedge book, capturing the benefit of current low forward base interest rates. The resulting lower forecast interest expense is expected to largely offset the cash flow impact of lower forecast gas transportation revenues for DBP in the current financial year. Accordingly, the DUET Boards have reaffirmed DUET's FY15 distribution guidance of 17.5 cents per stapled security."

Attached is a copy of DBP's media release.

For more enquiries, please contact:

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End notes

1. The Original SSCs had a term of 15 years, with two options of five years each. Note that:
 - capacity contracted in 2004 had various contract terms with expiry between October 2019 and December 2020;
 - certain capacity for delivery to South West CoGeneration expires on 26 March 2016; and
 - capacity contracted as a result of any expansions undertaken since 2004 had contract terms with expiry 15 years after the commissioning of each capacity expansion.
2. Under the Original SSCs, each of DBP's shippers had the opportunity to relinquish 10% of their contracted capacity each year from 2016. The New SSCs provide for that relinquishment right to be deferred from 2016 to 2021, with some amendments as described below.

Under the New SSCs, after 1 January 2021, the 2014 Shippers each have the ability at least once in each 12 month period (or on a calendar year basis for one shipper) to relinquish capacity. Each relinquishment amount may not be more than a certain percentage per year, (ranging from 10% (in most cases) to 30%) of the aggregate of:

- the Shipper's total contracted capacity as at the date of the New SSCs; and
 - (in most cases) requested T1 capacity granted after the date of the New SSCs for at least 10 years;
- less any capacity traded, assigned or disposed of or relinquished in other circumstances.

One shipper has the right to accumulate the annual relinquishment percentage amount from 2016 onwards and exercise that accumulated relinquishment between 2021 and 2025.

The 2014 Shippers also have additional relinquishment rights from 1 January 2021 which apply to varying amounts of capacity in various circumstances (which differ between the 2014 Shippers).

Prior to 31 December 2020, there are rights to a relinquishment of an aggregate of no more than 5.12 TJ/day, or greater amounts in the event of certain plant closures.



Media Statement

7 August 2014

DBP Successfully Completes Recontracting Negotiations

DBP is pleased to announce that it has successfully completed negotiations with the majority of its shippers that contract for firm full-haul gas transportation capacity on the Dampier to Bunbury Natural Gas Pipeline (DBNGP). The renegotiated Standard Shipper Contracts (New SSCs) establish the tariff payable by the shippers for a period that extends from July 2014 until December 2020. The parties have also agreed to extend the term of the New SSCs to between 2025 and 2033 (with two further five year extension options).

The successful recontracting materially reduces DBP's financial risk profile by significantly improving the business' contract coverage beyond 2020.

Shippers who have agreed to the New SSCs will benefit from greater certainty of their gas transportation costs over this time period compared to the potential outcomes, when the ERA resets the regulated tariff, effective 1 January 2016.

Importantly, the contract term extension and greater volume certainty of the New SSCs has enabled DBP to reset its interest rate hedging program to take advantage of current low base interest rates.

DBP's Chief Executive Officer, Mr. Stuart Johnston, said "This is an excellent outcome for both DBP and its key Shippers. It demonstrates that it's possible to reach a pragmatic commercial outcome, providing greater certainty over the medium term."

ENDS

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DBP

DBP Transmission is the trading name of the DBNGP group of entities that purchased the Dampier to Bunbury Natural Gas Pipeline in October 2004. DBP is majority owned by DUET Group (80%, in aggregate), with Alcoa a 20% minority owner.

The DBNGP

The Dampier to Bunbury Natural Gas Pipeline (DBNGP) is the only natural gas pipeline connecting the Carnarvon Basin on Western Australia's North-west Shelf with industrial, commercial and residential customers in Perth and the surrounding region. The pipeline runs from the Burrup Peninsula, near Dampier, to Bunbury in the south-west of the State.