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AFS Licence No. 269286

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26 June 2007

**ASX/MEDIA RELEASE**



**The DUET Group - presentation to UBS Australian Energy and Utilities Conference**

Please find attached DUET's presentation to be delivered to the UBS Australian Energy and Utilities Conference today.

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**DUET Group (DUET)  
UBS Energy and Utilities Conference**

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**UBS Australian Energy and Utilities Conference**

**Theme "Asset Valuations and Infrastructure Opportunities"**

26 June 2007

# UBS Conference 2007

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2. DUET's Asset Portfolio
3. Infrastructure Opportunities – creating value by investing in RAB
  - a) Dampier to Bunbury Natural Gas Pipeline – Expansion
  - b) Duquesne Light Holdings
4. DUET Performance

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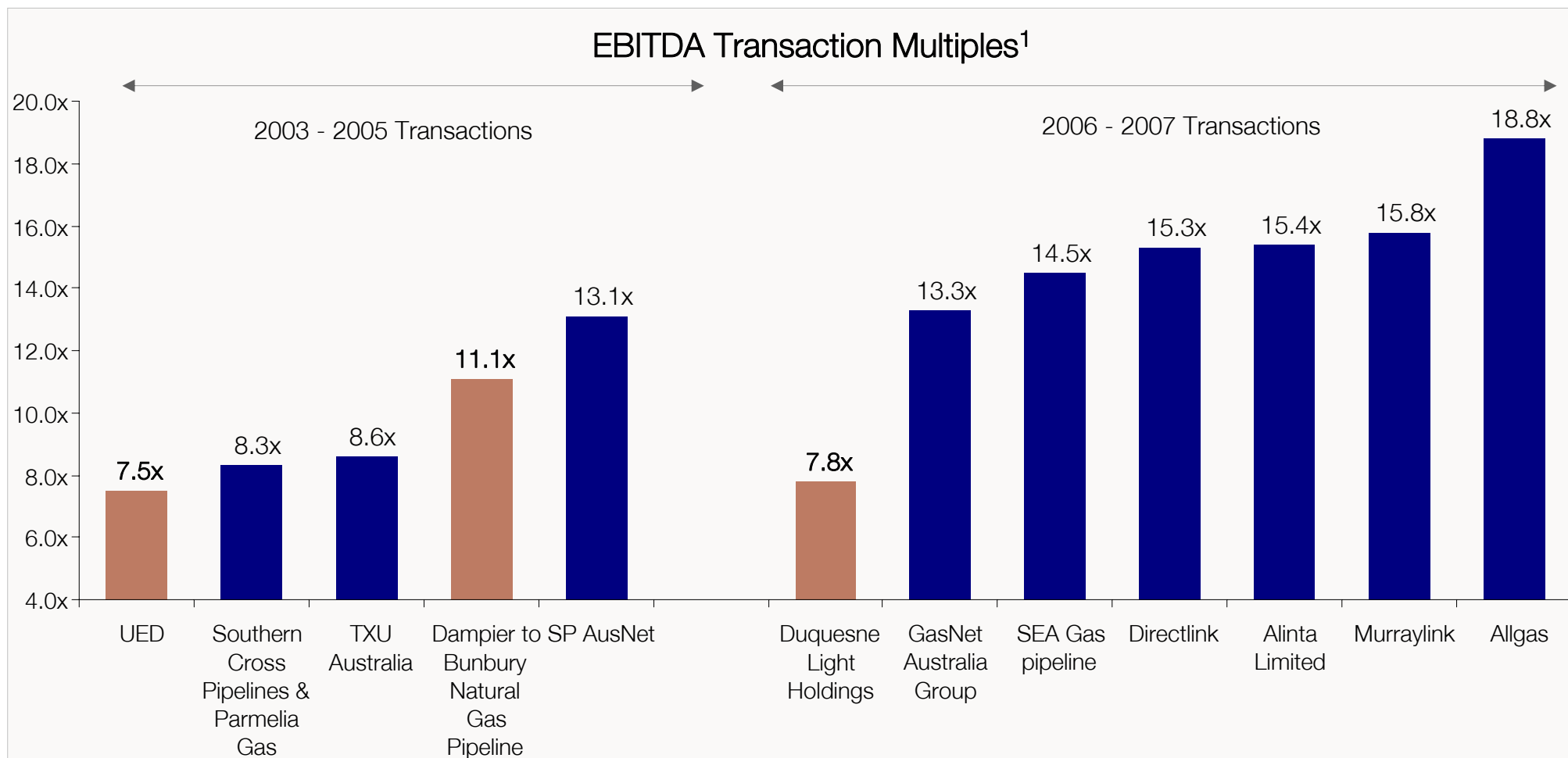
## Recent Transactions

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# Recent Transaction Multiples Implied Asset Valuations



1. Transaction Multiples are based on forecast EBITDA except for the Southern Cross Pipelines, Parmelia Gas and Allgas

2. Based on acquisition of 45% of Southern Cross Pipelines and 100% of Parmelia Gas

3. EV based on the US\$3.06bn total use of funds less US\$100m in transaction costs. EBITDA of US\$380.1m based on the CY2006 Adjusted pro forma EBITDA of A\$295.8m at a FX rate of \$US0.80/A\$1 plus the distribution rate case outcome of US\$117m plus the transmission rate case request of US\$27m

4. Based on acquisition of 33% of SEA Gas Pipeline, as part of the Origin Energy Networks transaction

Sources: DUET June 2007 PDS, APA Group Presentation on Acquisition of Origin Energy Networks (4 April 2007), Alinta Investor Presentation (11 May 2007), Company Announcements and Presentations, AGL / Alinta Scheme Booklet: Grant Samuel Independent Expert Report

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## About DUET

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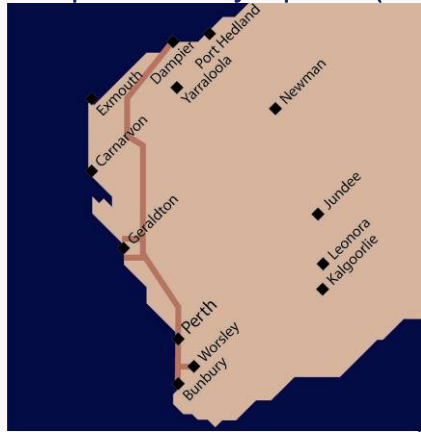
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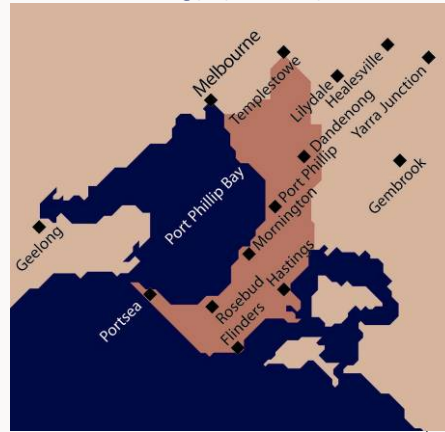
## Assets Geographic Location



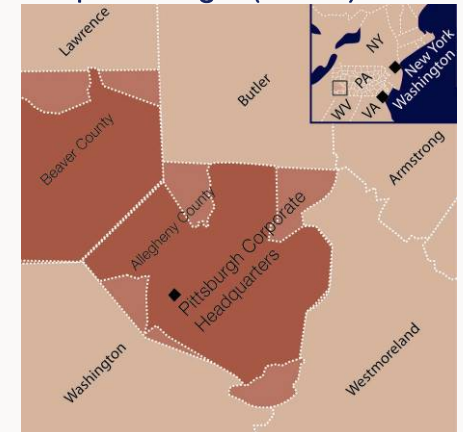
Dampier Bunbury Pipeline (68.6%\*) United Energy (66.0%)



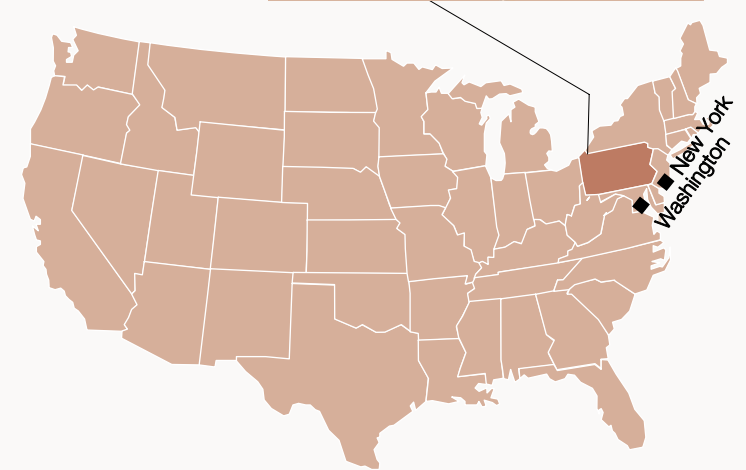
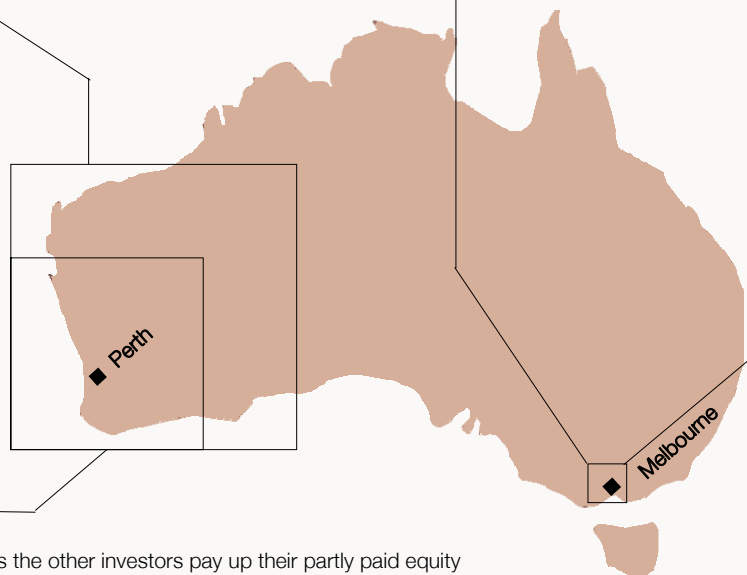
Multinet (79.9%)



Duquesne Light (29.0%)



AlintaGas Networks (25.9%)



\* DUET's economic interest will reduce to 60% as the other investors pay up their partly paid equity

# About DUET

## Diversified Energy Portfolio

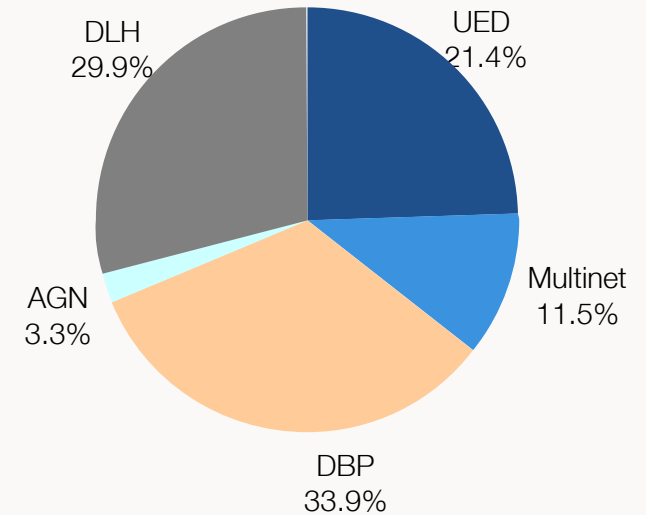
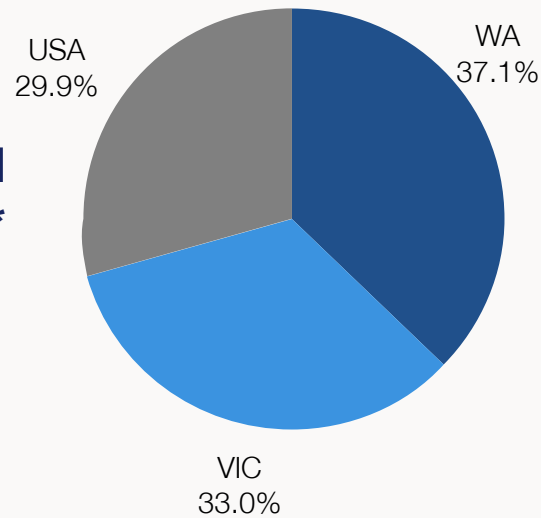


- ❖ DUET owns a diversified portfolio of regulated utility assets

### Geographic mix

### Asset mix

**Post DLH Acquisition and DBP Stage 5A expansion\***



\* Proportions based on Equity Carrying Value per DUET December 2006 financial statements adjusted for the 29% DLH investment value and the Stage 5A expansion.

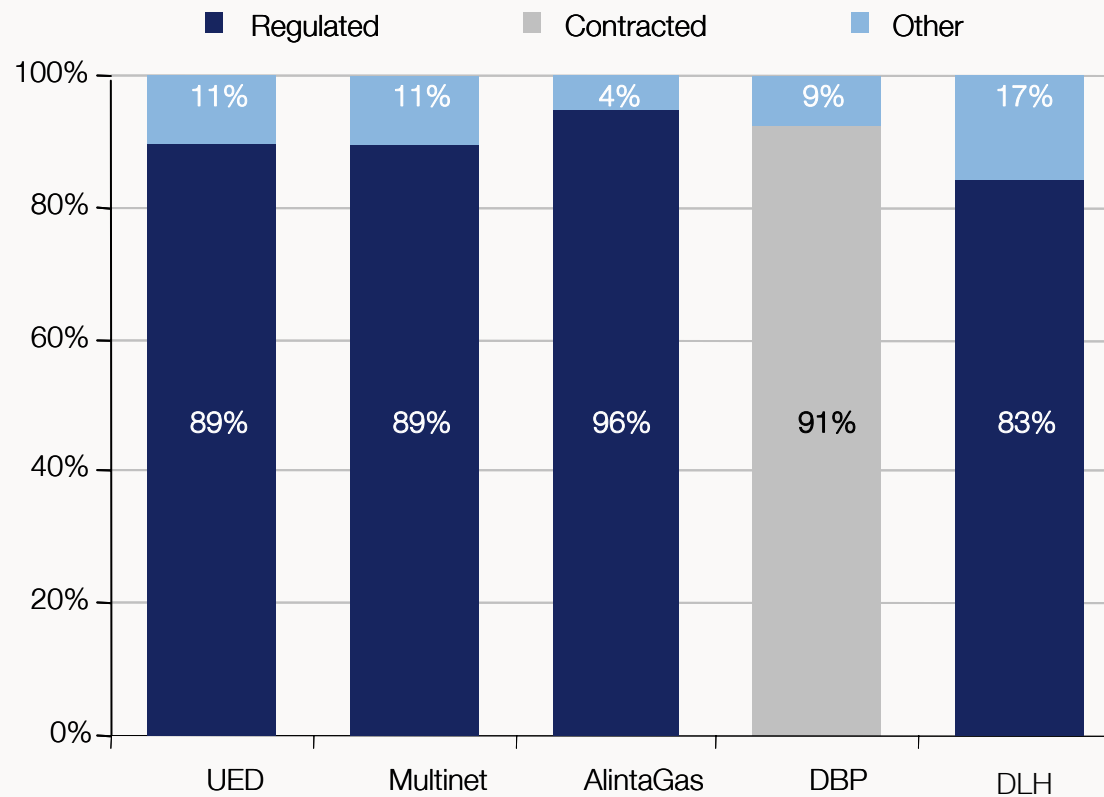
# About DUET

## Stable Predictable Cash flows



- ❖ DUET derives a large proportion of its revenue from regulated businesses which produce stable, predictable cash flows

### Regulated/Contracted Revenue



DLH regulated cashflows include distribution rate case revenue of US\$117m and transmission rate case revenue of US\$27m

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## Dampier to Bunbury Natural Gas Pipeline Expansion

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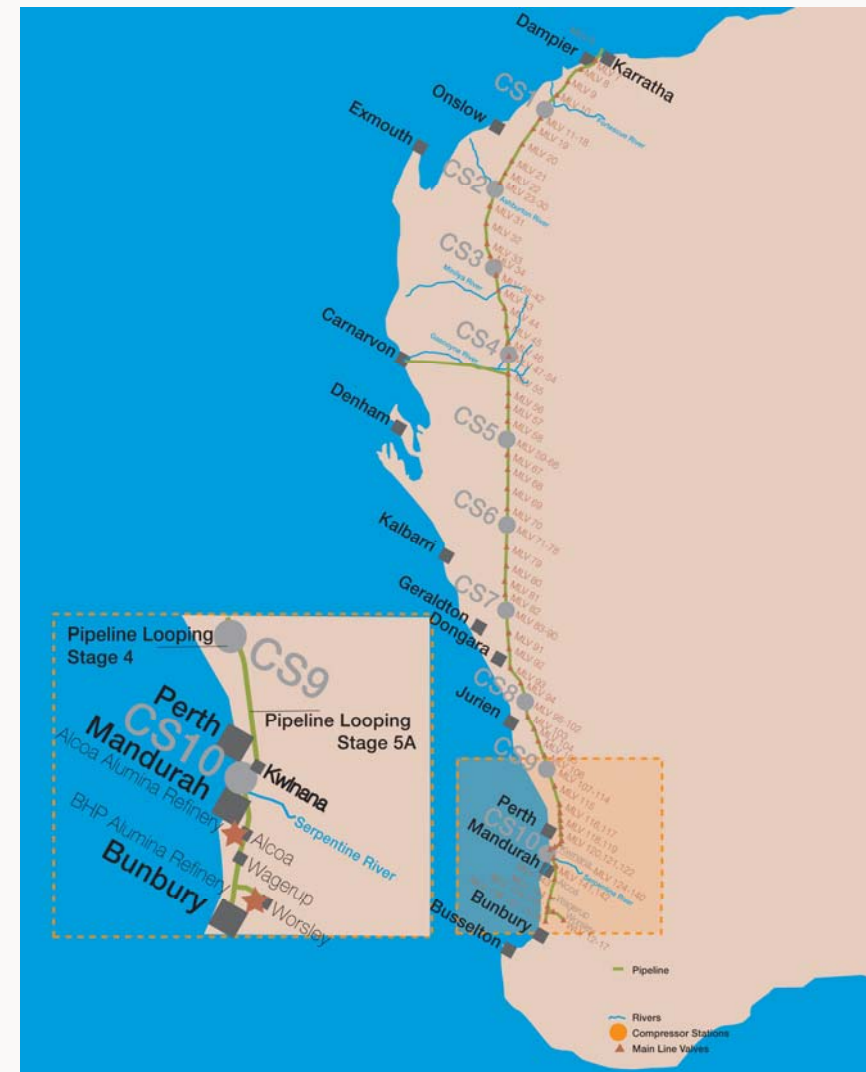
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# DBP Expansion The Pipeline

- ❖ Western Australia's largest gas transmission pipeline linking the North West Shelf with Perth and surrounding areas
- ❖ The Carnarvon and Browse Basins, which supply the DBP, contain approximately 120,000PJ, representing approximately 80% of Australia's total known gas reserves

## Asset Summary:

DBP Operating Statistics	At Acquisition	Post Stage 4
Pipeline Length	1,596km (mainline) 258 km (laterals)	1,596km (mainline) 258 km (laterals) 217km (loopleft)
Full Haul Capacity	Approx 580 TJ/day	Approx 685 TJ/day



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# DBP Expansion

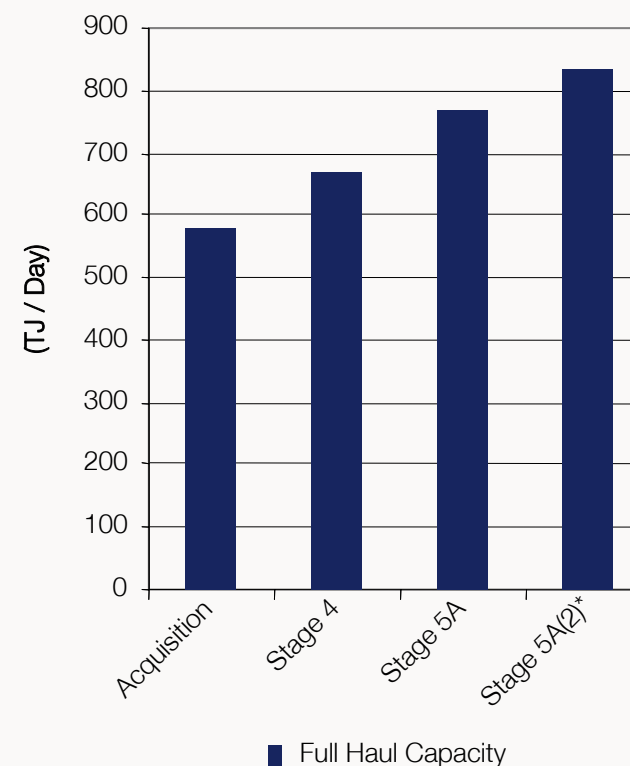
## Fully Contracted Additional Capacity



- ❖ The total current and Stage 5A capacity of the Pipeline is covered by long term gas transportation contracts until 2019

Expansion	Additional Capacity (TJ/day)	Additional Capacity (%)	Cost (A\$ m)	Start Date	End Date
Stage 4	127	22	430	Jan. 2006	Dec. 2006
Stage 5A	100	15	661	Dec. 2006	End CY2008
Stage 5A-2*	40	5	245 (est.)	2008	End CY2010

DBP Pipeline Capacity Growth

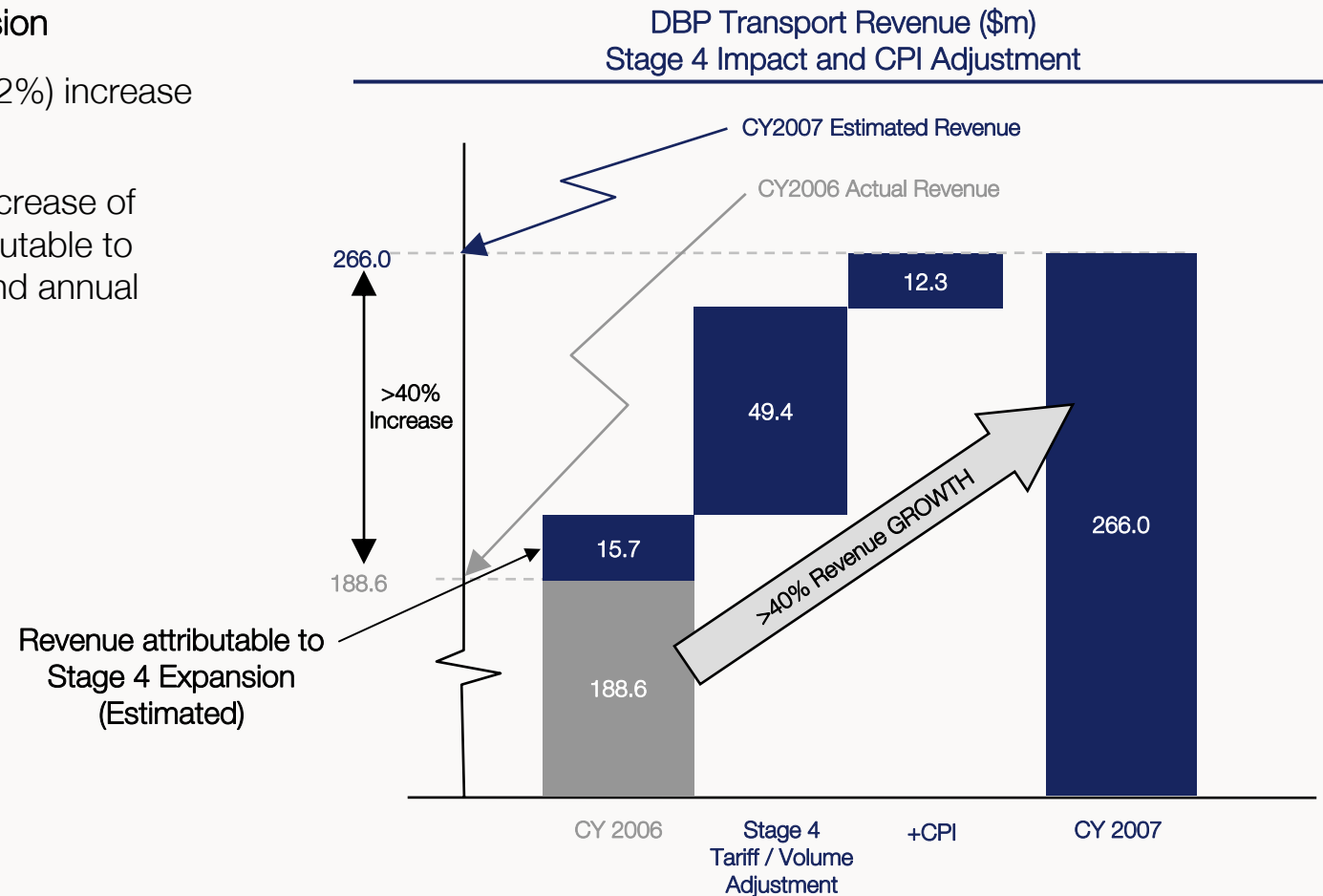


\* The Stage 5A-2 expansion , announced on 19 April 2007, is being investigated in response to shipper demand for additional full haul and part haul capacity. Shippers would take all of this additional capacity under long-term contractual arrangements.

# DBP Expansion Impact of Pipeline Growth

## Impact of Stage 4 Expansion

- ❖ 127TJ/day (approx 22%) increase in full haul capacity
- ❖ Estimated revenue increase of more than 40% attributable to Stage 4 expansion and annual WA CPI adjustment\*



\* Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of DUET. Actual results may vary from forecasts and any variation may be materially positive or negative

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Duquesne Light Holdings

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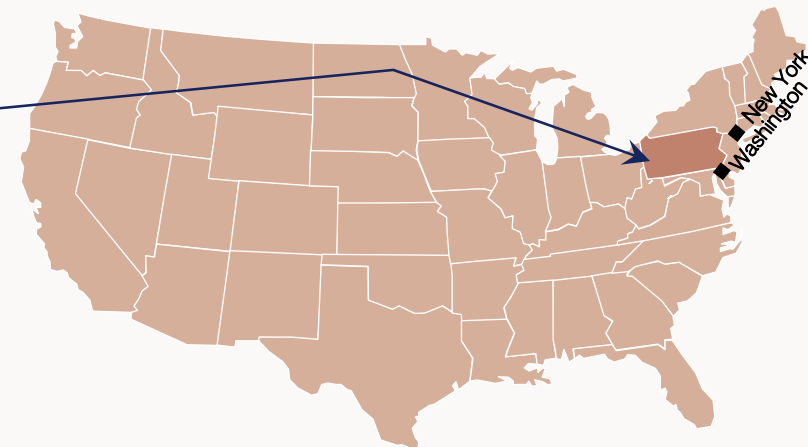
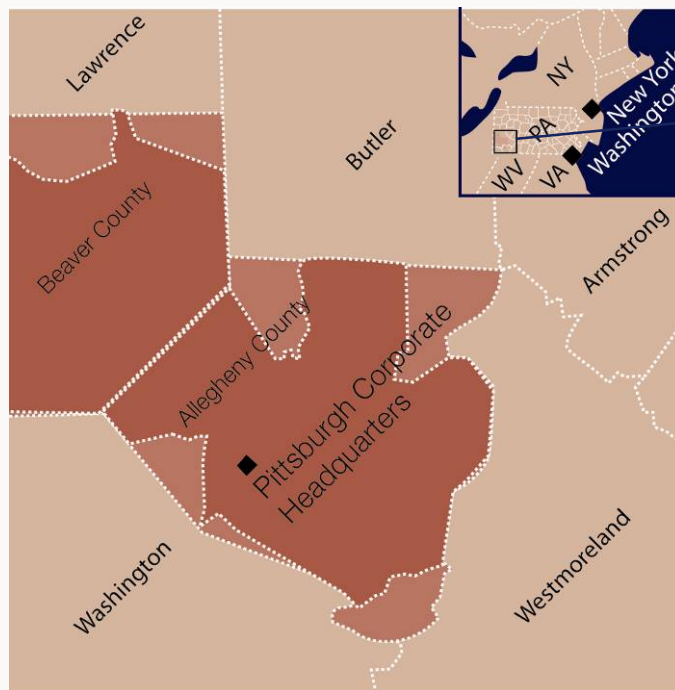


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# Duquesne Light Holdings Asset Overview



- ❖ DLH owns and operates an electricity transmission and distribution network
- ❖ DLH serves approximately 587,000 customers in Pittsburgh and the surrounding Beaver and Allegheny counties in Pennsylvania



- Beaver and Allegheny Counties
- DLH Service Area

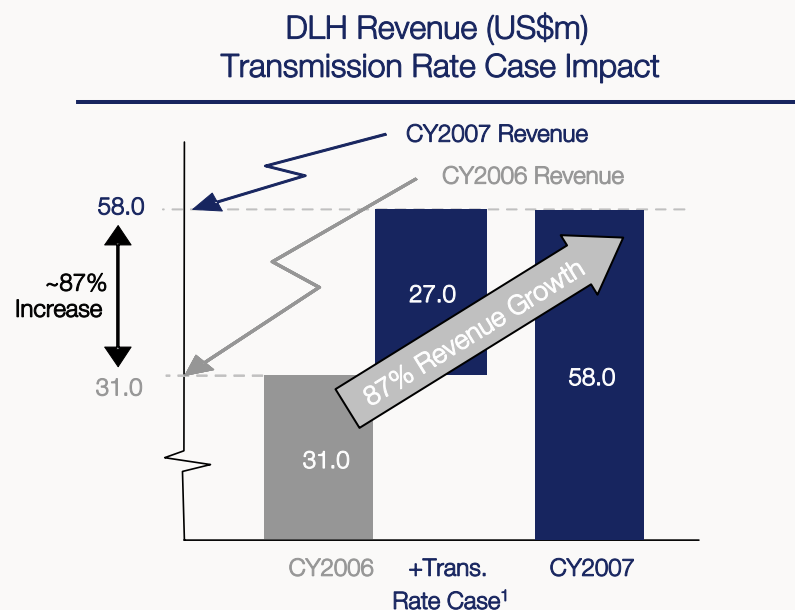
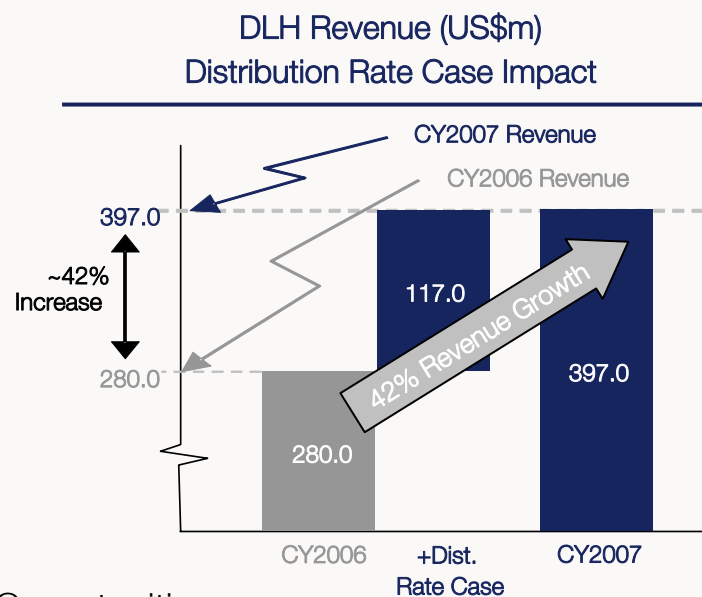
# Duquesne Light Holdings Investment Highlights / Outlook

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## ❖ Positive rate cases

- Distribution – additional US\$117 million in revenue in 2007, a 42% increase over CY2006
- Transmission – additional US\$27 million in revenue requested in 2007, an 87% increase over CY2006



## ❖ Opportunities

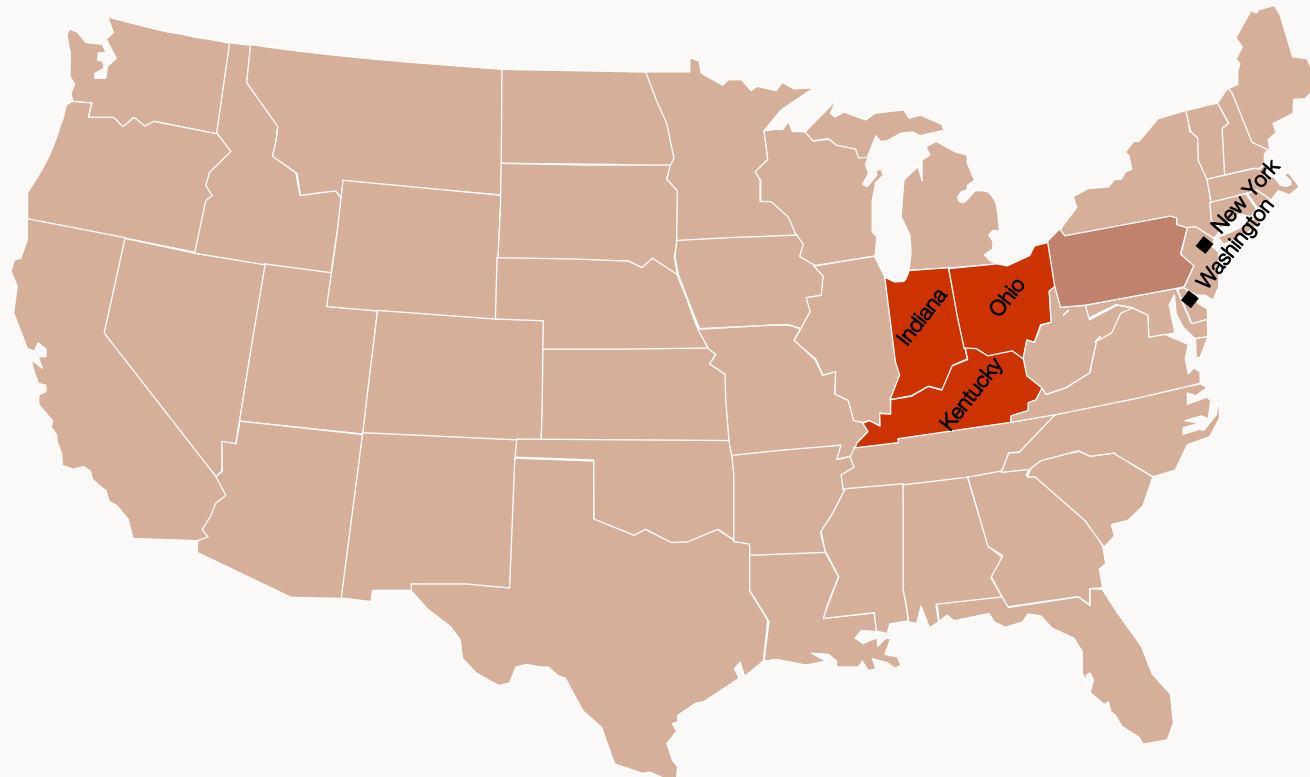
- Optimise organisational structure
- Cost reductions
- Identify incremental transmission investment opportunities
- Invest in Information Technology infrastructure
- Divest other non-core assets

<sup>1</sup> DLH have requested a transmission revenue increase of US\$27m, determination is expected by 2H Calendar 2007

# Duquesne Light Holdings Strategic Location

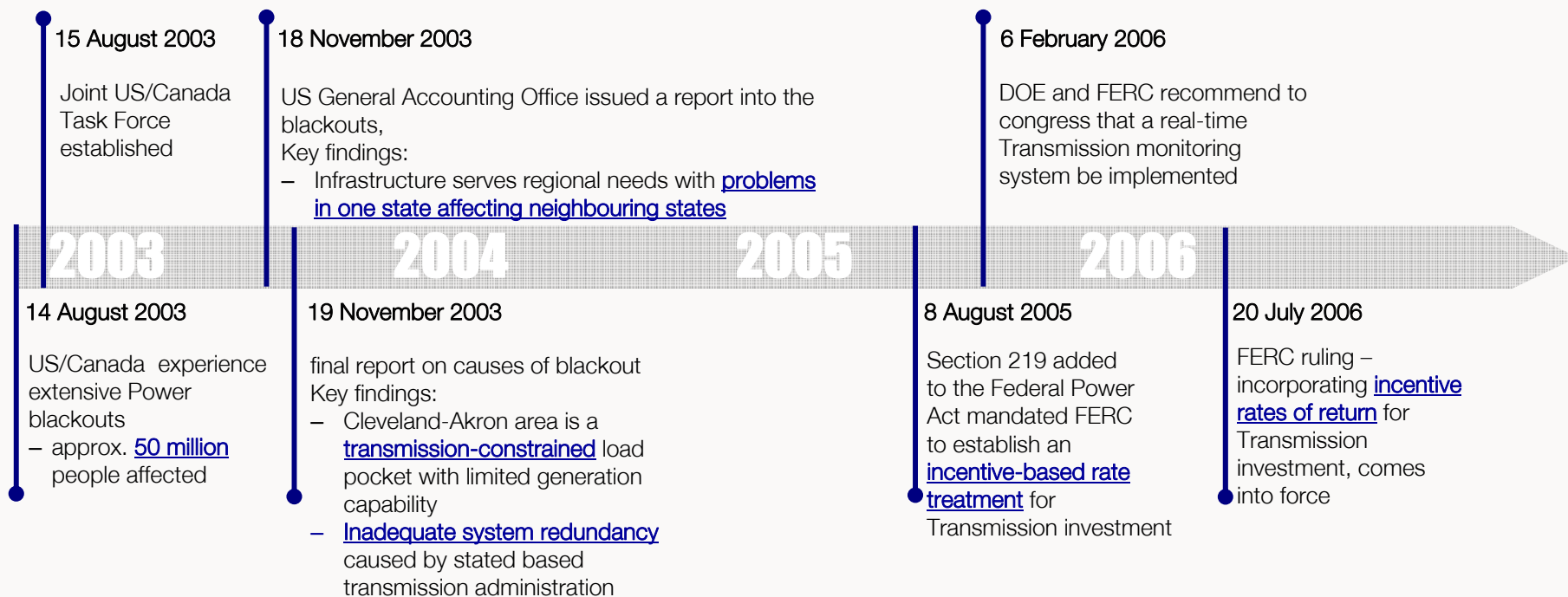


- ❖ To the West of DLH are major load generating states of Ohio, Indiana and Kentucky
- ❖ To the East of DLH are major load pockets of New York, Washington and Philadelphia



# Transmission Investment Opportunities

## Regulatory Environment



*Anderson Economic Group estimated*  
*“The economic Impact of the 2003 Blackout was approx. US\$6.4B, with approximately half of that being incurred by the State of New York, The largest proportion of these losses were borne by workers and investors who lost approx. US\$4.2B”*

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## Performance

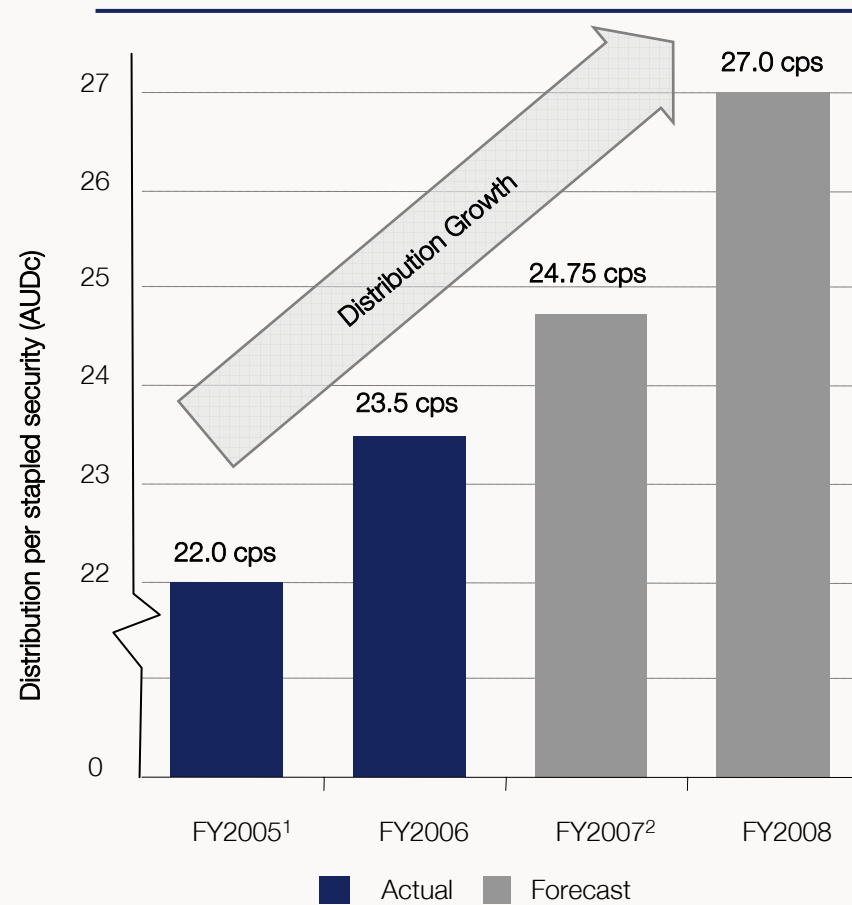
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# Performance 2008 Distribution Guidance

DUET Distribution Growth



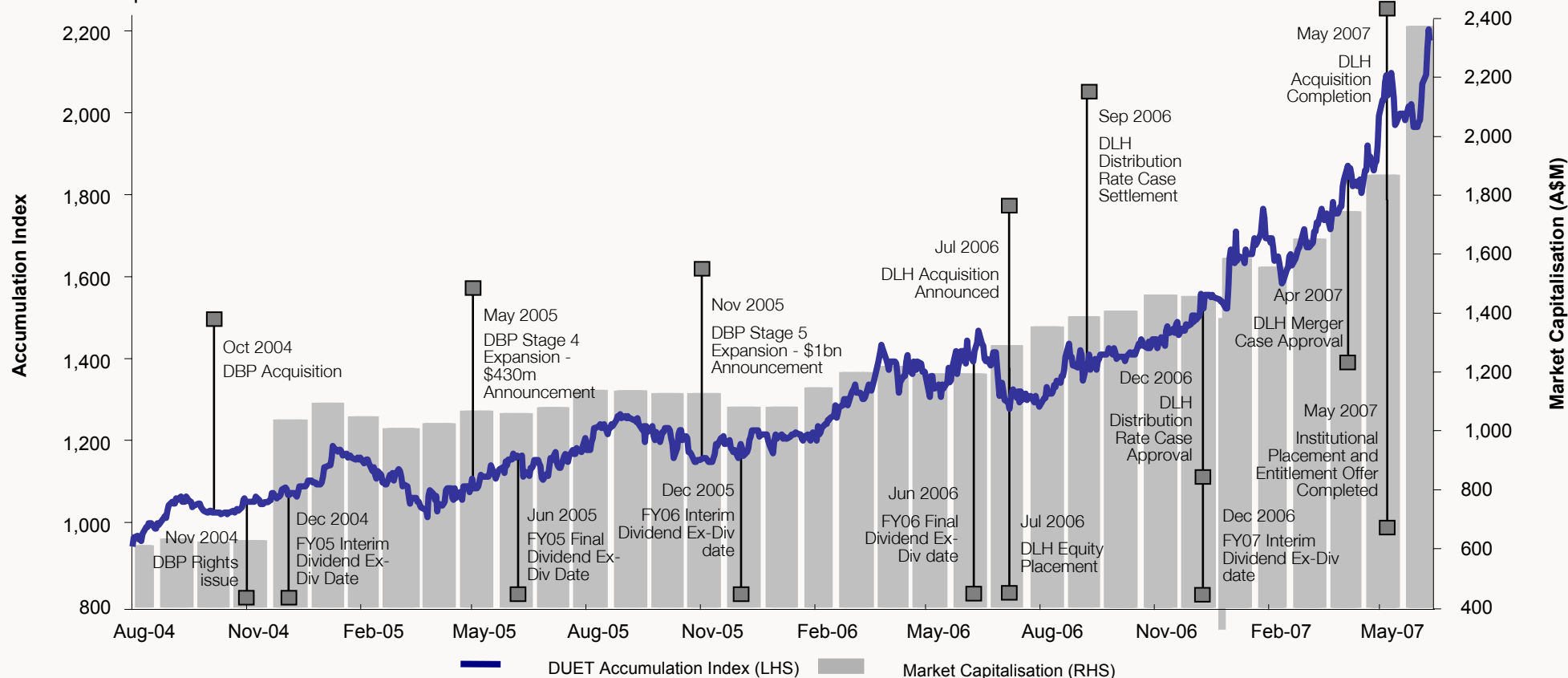
1 Forecast distribution at IPO was 21.7 cps for FY2005

2 Distribution of 12.25 cps for the period ending 31 December 2006 was paid on 16 February 2007

# Performance

## Security Price Performance

- ❖ If a stapled security holder invested \$1,000 at IPO (13 Aug 2004) and held to 20 June 2007, assuming distribution reinvestment, this would have grown to \$2,273, representing an annual average return of approx. 45%p.a<sup>1</sup>



<sup>1</sup> Assumes investor participated in Distribution and Dividend Reinvestment Plan (DRP) – If investor did not participate in DRP, numbers would be approx. \$2,074 and 38%p.a. respectively. Past performance is not a reliable indication of future performance