

**Issue of Shares under Listing Rule 7.1A**

Pro-Pac Packaging Limited (**PPG**) advises that, further to its announcement on 2 July 2018, it has completed the issue of a total of 11,764,706 fully paid ordinary shares (**SPP Shares**) at an issue price of \$0.34 per Share under the Share Purchase Plan (**SPP**).

**Issue of Shares under Listing Rule 7.1A**

The SPP was undersubscribed and the shortfall was underwritten. The shortfall SPP Shares, being 8,945,591 SPP Shares (**Shortfall Shares**) were issued under PPG's additional 10% capacity under Listing Rule (**LR**) 7.1A.

PPG provides the following information as required under LR 3.10.5A in respect of the Shortfall Shares:

- 1 The dilution to the existing holders of shares caused by the issue is set out in the following table (on a fully diluted basis). The Shortfall Shares comprise 1.35% of the shares on issue (on a fully diluted basis) following allotment of the SPP Shares:

	Shareholding prior to the SPP		Shareholding following the SPP	
	Number of Shares held <sup>1</sup>	Percentage of Shares held <sup>1</sup>	Number of Shares held <sup>1</sup>	Percentage of Shares held <sup>1</sup>
<b>Existing ordinary shares</b>	650,205,112	99.61%	650,205,112	97.84%
<b>SPP Shares (excluding the Shortfall Shares)</b>	0	0.00%	2,819,115	0.42%
<b>Shortfall Shares</b>	0	0.00%	8,945,591	1.35%
<b>Options</b>	1,200,000	0.18%	1,200,000	0.18%
<b>Performance rights</b>	1,375,000	0.21%	1,375,000	0.21%
<b>Total (on a fully diluted basis)</b>	<b>652,780,112</b>	<b>100.00%</b>	<b>664,544,818</b>	<b>100.00%</b>

Note:

- 1 Calculated on a fully diluted basis, i.e. assumes all options and performance rights are converted to ordinary shares
- 2 PPG offered eligible existing ordinary security holders the opportunity to participate in the SPP. However, as the SPP was undersubscribed, the shortfall SPP Shares were underwritten. As PPG did not have sufficient capacity under LR 7.1 to undertake the issue of the Shortfall Shares, those shares were issued utilising PPG's LR 7.1A capacity.

- 3 PPG entered into an underwriting agreement with Bell Potter Securities Limited (**Bell Potter**), under which Bell Potter agreed to fully underwrite the SPP. The fees payable to Bell Potter for acting as Lead Manager and Underwriter to the Placement comprise 3.5% of the proceeds raised under the SPP.
- 4 There are no other fees or costs incurred in connection with the issue.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Saus', with a stylized flourish at the end.

Mark Saus  
PPG Secretary