



10 June 2009

Transpacific Industries Group Ltd

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Dear fellow Shareholder,

On behalf of the Board, I am writing to provide an update in relation to our Company's capital review and proposed recapitalisation plan.

Overview

Transpacific recently announced that it has entered into a Subscription Agreement with WP X Holdings B.V. ("WP Holdings"), an affiliate of Warburg Pincus. Subject to satisfaction of certain conditions, this Agreement provides for WP Holdings to become a major shareholder in Transpacific as part of a comprehensive recapitalisation of the Group. The recapitalisation proposal is the culmination of an extensive review of all available options.

Under the proposed recapitalisation, Transpacific expects to raise at least \$800 million in equity. The equity raising includes a placement to WP Holdings to raise approximately \$65 million at a price of \$1.80 per share and an accelerated 1.77 for 1 pro-rata renounceable entitlement offer (the "Entitlement Offer") to eligible Transpacific shareholders, including WP Holdings. The Entitlement Offer is expected to raise approximately \$735 million at an entitlement price of \$1.20 per new share ("Entitlement Price").

Importantly, the Entitlement Offer will provide all existing Transpacific shareholders with the opportunity to participate in the recapitalisation of the Company.

WP Holdings will sub-underwrite a portion of the Entitlement Offer. Depending on the level of participation in the Entitlement Offer, WP Holdings may subscribe for additional shares at the Entitlement Price but only in order to take its interest in Transpacific to around 18% after completion of the Entitlement Offer. WP Holdings will also receive equity warrants over new Transpacific shares.

One or more of the family companies associated with Transpacific Executive Chairman, Mr Terry Peabody, intend to subscribe for \$70 million of new equity under the Entitlement Offer.

Transpacific has reached commercial agreement with the majority of its senior bank group and its USPP investors with respect to the paydown, long-term extension and amendment of its existing bank debt facilities. WP Holdings' placement and participation in the Entitlement Offer are conditional on all relevant banks and USPP investors agreeing to and documenting the extension and amendments.

Upon implementation, the recapitalisation will provide Transpacific with an appropriate capital structure for the current challenging macroeconomic environment and to support the Company's growth.

Proceeds of the equity raising, net of transactions costs, will be used to retire debt and terminate certain out-of-the-money interest rate swaps. After the paydown of debt, Transpacific's pro-forma gearing is expected to be approximately 42% compared to Transpacific's gearing of 60% as at 31 December 2008.

Warburg Pincus

We are pleased to have reached this agreement with Warburg Pincus.

Warburg Pincus is a leading global private equity firm with more than US\$25 billion in assets under management. Its active portfolio of more than 100 companies is highly diversified by stage, sector and

geography. The firm has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo. For more information, please visit www.warburgpincus.com.

Warburg Pincus has a strong history of successfully partnering with growth oriented companies and their proposed participation in the recapitalisation of the Company will enable Transpacific to re-affirm its position as the leading waste management services company in Australasia.

It is intended that following completion of the Entitlement Offer, WP Holdings would have the right to appoint a representative to the Transpacific Board and an additional two independent non-executive directors will also be appointed. Further details of these and other governance arrangements with WP Holdings will be provided in the prospectus.

Implementation of the Recapitalisation

Implementation of the recapitalisation plan remains subject to a number of conditions, including regulatory approvals from the ASX and ASIC, bank and USPP investor approvals, execution of transaction documents and no material adverse disclosures or changes. Given the nature of these and other conditions, no assurance can be provided that the recapitalisation will be completed.

We anticipate Transpacific's shares will likely remain suspended from trading for a further two to four weeks until the institutional component of the Entitlement Offer is completed.

For further details of the Agreement between Transpacific and WP Holdings, including the conditions, please see the Company's ASX announcement dated 9 June 2009.

Trading Update

Whilst continuing to show strong defensive characteristics, Transpacific's performance for the first five months of calendar 2009 has been below previous expectations, driven by a slowdown in general economic activity in both Australia and New Zealand.

Separately, it is currently anticipated that Transpacific will report significant items of up to \$225m (before tax) in 2H09 relating to impairment of certain tangible and intangible assets, provision adjustments, and other one-off charges.

Transpacific is also currently reviewing its dividend policy in light of the recapitalisation proposal. Further guidance in relation to dividend policy will be provided in the prospectus.

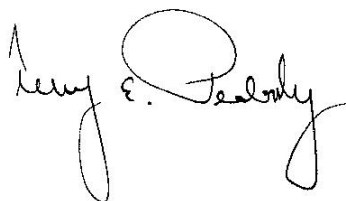
Further financial information is intended to be released in the prospectus.

Further Information

Full details of the Entitlement Offer, including a prospectus, will be mailed to eligible retail shareholders shortly after the completion of the institutional component of the Entitlement Offer. As noted above, we anticipate this will occur within two to four weeks. You do not need to take any action until you receive the prospectus.

We appreciate that this long period of suspension from trading has been frustrating for our shareholders. The Transpacific Board is committed to concluding the capital restructure as quickly as possible and to building on the Company's position as Australasia's leading waste management company. On behalf of the Board and our management team, I thank you for your ongoing support of Transpacific.

Yours faithfully,



Terry Peabody
Executive Chairman