

APPENDIX 4E

Preliminary final report for the year ended 30 June 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Details of the reporting period

The information contained in this report is for the full year ended 30 June 2009 and the previous corresponding period 30 June 2008.

2. Results for announcement to the market

| | 2009 | 2008 | | |
|--|------------------|-----------|---------|------------|
| | \$'000 | \$'000 | Up/down | % movement |
| Revenue from ordinary activities | 2,207,798 | 2,185,601 | Up | 1% |
| Operating EBITDA | 447,337 | 492,583 | Down | 9% |
| Irregular items ¹ | 9,022 | 47,969 | | |
| Reported EBITDA | 456,359 | 540,552 | Down | (16%) |
| Depreciation and amortisation | (143,827) | (119,084) | | |
| EBIT | 312,532 | 421,468 | | |
| Net financing costs | (188,058) | (179,949) | | |
| Profit before tax, associates and significant items | 124,474 | 241,519 | Down | (48%) |
| Share of associates | 2,516 | 2,632 | | |
| Borrowing and other costs ² | (27,200) | - | | |
| Non-cash items ³ | (9,448) | (4,286) | | |
| Significant items ⁴ | (328,117) | - | | |
| Profit/(loss) before tax | (237,775) | 239,865 | Down | (199%) |
| Tax (expense)/benefit | 21,668 | (44,298) | | |
| NPAT/(NLAT) from ordinary operations | (216,107) | 195,567 | | |
| Minority interest | (2,249) | (2,291) | | |
| NPAT/(NLAT) attributable to equity holders of Transpacific | (218,356) | 193,276 | Down | (213%) |
| Distribution to Step-up preference security holders | (19,050) | (18,025) | Up | 6% |
| NPAT/(NLAT) attributable to TPI shareholders | (237,406) | 175,251 | Down | (235%) |

1. Irregular items are recurring but may not occur each year and may also be large in size.

2. Borrowing and other costs relate to:

- write off of \$23.2m of capitalised costs associated with Transpacific's existing Syndicated Facility due to facility renegotiation; and
- \$4m of costs associated with the amendment and waiver of prior breaches of the Syndicated Facility and USPP.

3. Non-cash items include employee options expense, amortisation of convertible note premium and profit on acquisition of businesses.

4. Significant items include impairment of listed investments, hedges and assets, provision re-estimates, redundancy and litigation expenses.

Dividend information

No interim dividend was paid.

In light of the Equity Raising, the Transpacific Board has decided not to declare a final dividend in FY2009.

Transpacific has also agreed to certain restrictions on the payment of future dividends with the Cornerstone Investor (Warburg Pincus) and Transpacific's syndicate banks and USPP note holders. As a result of the restrictions in the Process Deed, the Amended Facility Agreement and the amendments to the USPP, Transpacific does not expect to declare a FY2010 interim dividend.

These restrictions are consistent with the Company's intention to adopt a dividend policy which is focused on cashflow management having regard to various factors including the prevailing economic conditions, capital expenditure requirements and opportunities, acquisition opportunities and debt management.

Brief explanation of any of the figures outlined above necessary to enable figures to be understood:

The results for announcement to the market have been set out to correspond to the recent forecast provided in the retail entitlement offer prospectus. Profit/(loss) before tax for the year ended 30 June 2009 were affected by :

| | \$m |
|---|----------------|
| Impairment of listed investments | (52.5) |
| Fair value adjustment on interest swaps | (76.4) |
| Impairments under AASB 136 | (153.7) |
| Provision re-estimates | (43.4) |
| Other items | <u>(2.1)</u> |
| | <u>(328.1)</u> |

Refer to Results Presentation release for further details.

3. Income Statement

| | Notes | Consolidated 2009 \$'000 | Consolidated 2008 \$'000 |
|--|-------|--------------------------------|--------------------------------|
| Revenue and other income | 1 | 2,215,220 | 2,196,710 |
| Other expenses | 2 | (1,803,820) | (1,650,052) |
| Depreciation and amortisation expenses | | (143,827) | (119,084) |
| Borrowing costs expense | | (225,299) | (190,341) |
| Shares of net profits of associates and joint venture partnership accounted for using the equity method | | 2,516 | 2,632 |
| Impairment on financial instruments and other assets | | (282,565) | - |
| Profit/(loss) before income tax | | (237,775) | 239,865 |
| Income tax (expense)/benefit | | 21,668 | (44,298) |
| Profit/(loss) after tax | | (216,107) | 195,567 |
| Profit/(loss) attributable to minority interests | | (2,249) | (2,291) |
| Profit/(loss) attributable to equity holders of Transpacific Industries Group Ltd | | (218,356) | 193,276 |
| Distribution to step up preference security holders | | (19,050) | (18,025) |
| Profit/(loss) attributable to ordinary equity holders | | (237,406) | 175,251 |

TRANSPACIFIC INDUSTRIES GROUP LTD
Notes to Income Statement

3. Income Statement (continued)

| Note 1: Revenues and Other Income | 2009 | 2008 |
|---|------------------|---------------|
| | \$'000 | \$'000 |
| Revenue | | |
| Sales of goods and services | 2,172,247 | 2,149,615 |
| Product Stewardship Oil benefits | 15,615 | 19,618 |
| Other revenue | 19,936 | 16,368 |
| | 2,207,798 | 2,185,601 |
| Other income | | |
| Profit on acquisition of businesses | - | 3,250 |
| Gain on sale of business | 873 | - |
| Foreign-currency exchange gains - realised | 277 | 348 |
| Gain on disposal of property, plant and equipment | 3,060 | 1,139 |
| Interest revenue | 3,212 | 6,372 |
| | 7,422 | 11,109 |
| Total Revenue and Other Income | 2,215,220 | 2,196,710 |
| Note 2: Expenses from ordinary activities | | |
| Cost of sales | 877,070 | 799,065 |
| Employee expenses | 570,270 | 551,748 |
| Repairs and maintenance | 90,740 | 89,465 |
| Fuel purchases | 68,746 | 66,537 |
| Leasing charges | 51,356 | 38,047 |
| Freight | 24,000 | 17,157 |
| Other expenses from ordinary activities | 121,638 | 88,033 |
| | 1,803,820 | 1,650,052 |

TRANSPACIFIC INDUSTRIES GROUP LTD

Balance Sheet As at 30 June 2009

4.a. Balance Sheet

| | Notes | Consolidated | |
|---|-------|------------------|------------------|
| | | 2009 \$'000 | 2008 \$'000 |
| Current assets | | | |
| Cash assets | | 70,115 | 58,126 |
| Trade and Other Receivables | | 352,103 | 358,890 |
| Current tax assets | | 10,058 | - |
| Inventories | | 151,757 | 164,953 |
| Other financial assets | | 21,726 | 19,482 |
| Other | | 10,822 | 10,920 |
| Total current assets | | 616,581 | 612,371 |
| Non-current assets | | | |
| Investments accounted for using the equity method | | 18,096 | 19,252 |
| Other financial assets | | 21,195 | 73,337 |
| Property, plant and equipment | | 1,092,233 | 965,233 |
| Deferred tax assets | | 67,695 | 36,699 |
| Intangible assets | | 2,411,873 | 2,542,245 |
| Total non-current assets | | 3,611,092 | 3,636,766 |
| Total assets | | 4,227,673 | 4,249,137 |
| Current liabilities | | | |
| Trade and Other Payables | | 251,648 | 292,968 |
| Borrowings | 15 | 2,421,678 | 391,826 |
| Employee benefits | | 34,198 | 33,087 |
| Current tax liabilities | | - | 1,784 |
| Provisions | | 13,591 | 7,792 |
| Other | | 87,722 | 36,295 |
| Total current liabilities | | 2,808,837 | 763,752 |
| Non-current liabilities | | | |
| Borrowings | | 32,801 | 1,938,965 |
| Deferred tax liabilities | | 20,205 | 28,563 |
| Employee Benefits | | 8,178 | 8,765 |
| Other – deferred income | | 1,318 | 1,501 |
| Total non-current liabilities | | 62,502 | 1,977,794 |
| Total liabilities | | 2,871,339 | 2,741,546 |
| Net assets | | 1,356,334 | 1,507,591 |
| Equity | | | |
| Parent entity interest | | | |
| Issued Capital | 1 | 1,342,817 | 1,221,247 |
| Reserves | 2 | (9,928) | (10,007) |
| Retained profits | | 5,779 | 272,806 |
| Total parent entity interest | | 1,338,668 | 1,484,046 |
| Minority interest | | 17,666 | 23,545 |
| Total equity | | 1,356,334 | 1,507,591 |

TRANSPACIFIC INDUSTRIES GROUP LTD

Balance Sheet

As at 30 June 2009

4.a. Balance Sheet (continued)

| | Consolidated | |
|---|--------------|-------------|
| | 2009 | 2008 |
| Note 1: Issued Capital | | |
| | \$'000 | \$'000 |
| Ordinary shares | | |
| Opening balance | 919,450 | 856,374 |
| Issued during the year | | |
| - dividend reinvestment plan and underwrite agreement | 49,440 | 41,628 |
| - shares issued on repurchase of convertible bonds | 6,601 | - |
| - shares issued under business acquisition contracts | 30,802 | 13,844 |
| - exercise of share options | 22,203 | - |
| - exercise of employee share options | 13,529 | 8,068 |
| - transaction costs | (642) | (464) |
| Closing balance | 1,041,383 | 919,450 |
| Step up preference securities | | |
| Opening balance | 249,846 | - |
| Issued during the year | | |
| - Issued on 22 August 2006 | - | 249,846 |
| - transaction costs | - | - |
| Closing balance | 249,846 | 249,846 |
| Convertible notes equity component | | |
| Opening balance | 51,951 | - |
| Issued during the year | - | 51,951 |
| Repurchase of convertible notes | (363) | - |
| Closing balance | 51,588 | 51,951 |
| TOTAL ISSUED CAPITAL | 1,342,817 | 1,221,247 |
| Ordinary shares | No. | No. |
| Opening balance | 287,219,707 | 279,154,346 |
| Shares issued during the year: | | |
| - dividend reinvestment plan and underwrite agreement | 8,297,105 | 4,202,171 |
| - shares issued on repurchase of convertible bonds | 1,725,838 | - |
| - shares issued under business acquisition contracts | 4,651,690 | 1,378,863 |
| - exercise of share options | 6,950,000 | - |
| - exercise of employee share options | 2,136,786 | 2,484,327 |
| Closing balance | 310,981,126 | 287,219,707 |
| Step up preference securities | No. | No. |
| Opening balance | 2,500,000 | 2,500,000 |
| Notes issued during the year: | - | - |
| Closing balance | 2,500,000 | 2,500,000 |
| | \$'000 | \$'000 |
| Note 2: Reserves | | |
| Asset revaluation reserve | 36,752 | 33,048 |
| Foreign currency translation reserve | (45,150) | (56,464) |
| Employee benefits reserve | 590 | 6,371 |
| Hedging reserve | (2,120) | 7,038 |
| | (9,928) | (10,007) |

TRANSPACIFIC INDUSTRIES GROUP LTD
Statement of Recognised Income and Expense
For the year ended 30 June 2009

4.b. Statement of Recognised Income and Expense

| | Notes | Consolidated | |
|---|-------|------------------|-----------------|
| | | 2009 \$'000 | 2008 \$'000 |
| Cash flow hedges | | | |
| Gain/(loss) taken to equity | | (207) | 12,640 |
| Translation of foreign operations | | | |
| Exchange differences taken to equity | | 11,314 | (90,672) |
| Revaluation of assets | | | |
| Asset revaluation taken to equity | | 3,704 | 28,825 |
| Net (loss)/income recognised directly in equity | | 14,811 | (49,207) |
| Profit/(loss) for the period | | (216,107) | 195,567 |
| Total recognised income and expense for the period | | (201,296) | 146,360 |
| Attributable to: | | | |
| Equity holders of the parent | | (203,545) | 144,069 |
| Minority interest | | 2,249 | 2,291 |
| Total recognised income and expense for the period | | (201,296) | 146,360 |

TRANSPACIFIC INDUSTRIES GROUP LTD

Cash Flow Statement

For the year ended 30 June 2009

5. Cash flow Statement

| | Notes | Consolidated 2009 \$'000 | Consolidated 2008 \$'000 |
|--|-------|--------------------------------|--------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers and PSO subsidy | | 2,421,979 | 2,349,331 |
| Payments to suppliers and employees | | <u>(2,015,011)</u> | <u>(1,914,251)</u> |
| | | 406,968 | 435,080 |
| Interest received | | 3,212 | 6,370 |
| Other revenue | | 15,378 | 19,564 |
| Interest paid | | (189,016) | (185,191) |
| Income taxes paid | | <u>(34,911)</u> | <u>(45,989)</u> |
| Net cash inflow from operating activities | (a) | <u>201,631</u> | <u>229,834</u> |
| Cash flows from investing activities | | | |
| Payment for purchase of business | | (55,868) | (193,455) |
| Payments for property, plant and equipment | | (162,480) | (158,554) |
| Payments for investments, net of cash acquired | | (97) | (48,322) |
| Proceeds from sale of business | | 2,014 | - |
| Proceeds from sale of property, plant and equipment | | <u>4,198</u> | <u>9,732</u> |
| Net cash (outflow) from investing activities | | <u>(212,233)</u> | <u>(390,599)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of equity | | 69,901 | 6,904 |
| Payment of dividend to pre IPO shareholders | | - | (6,500) |
| Payment of dividends to minority shareholders | | (1,691) | (1,514) |
| Payment of Step-up securities distribution | | (19,050) | (18,025) |
| Payment of ordinary shareholder dividends | | (29,621) | (41,628) |
| Dividend reinvestment plan and underwrite | | 6,871 | 41,628 |
| Payment of debt raising costs | | (7,999) | (33,730) |
| Buy back of convertible notes | | (18,325) | - |
| Proceeds from issue of subordinated convertible bonds | | - | 347,500 |
| Proceeds from borrowings | | 78,458 | 2,340,095 |
| Repayment of borrowings | | (76,950) | (2,614,048) |
| Net movement in trade finance | | 43,016 | - |
| Repayment of loans (to)/ by related parties | | (781) | (4,703) |
| Distributions from associates | | 1,420 | 3,513 |
| Repayment of lease liabilities | | <u>(23,017)</u> | <u>(18,064)</u> |
| Net cash inflow (outflow) from financing activities | | <u>22,233</u> | <u>1,428</u> |
| Net increase (decrease) in cash held | | 11,631 | (159,337) |
| Cash at the beginning of the financial year | | 58,126 | 222,459 |
| Effects of exchange rate changes on cash | | 358 | (4,996) |
| Cash at the end of the financial year | | <u>70,115</u> | <u>58,126</u> |
| (a) Reconciliation of cash flow from operating activities | | | |
| Profit/(loss) for the period | | (216,107) | 195,567 |
| Non-cashflows in profit from ordinary activities | | | |
| Options expense | | 2,619 | 3,516 |
| Profit on acquisition of businesses | | - | (3,250) |
| Profit on sale of business | | (947) | - |
| Amortisation | | 20,880 | 11,403 |
| Depreciation | | 140,213 | 118,089 |
| Other non cash items | | 318,761 | - |
| Net gain on disposal of property, plant and equipment | | (3,408) | (1,139) |
| Share of associated company's net profit | | (1,806) | (2,632) |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in receivables | | 8,460 | (39,485) |
| (Increase)/decrease in other assets | | (382) | (1,045) |
| (Increase)/decrease in inventories | | 15,408 | (21,275) |
| Increase/(decrease) in payables | | (47,484) | (1,781) |
| Increase/(decrease) in income tax payable | | (11,842) | 5,824 |
| (Increase)/decrease in deferred taxes | | (14,994) | (7,427) |
| Increase/(decrease) in other liabilities | | (4,333) | 140 |
| Increase/(decrease) in provisions | | (3,407) | (26,671) |
| Net cash (outflow) from operating activities | | <u>201,631</u> | <u>229,834</u> |

TRANSPACIFIC INDUSTRIES GROUP LTD

6. Dividend disclosures

| | Date dividend payable | Amount per security | Franking % | Amount per security of foreign source dividend |
|-------------------------|-----------------------|---------------------|------------|--|
| Final dividend | | | | |
| 2009 | N/A | N/A | N/A | N/A |
| 2008 | 24 October 2008 | 10.1 cents | 100% | N/A |
| 2007 | 26 October 2007 | 6.7 cents | 100% | N/A |
| 2006 | 27 October 2006 | 5.1 cents | 100% | N/A |
| Interim dividend | | | | |
| 2009 | N/A | N/A | N/A | N/A |
| 2008 | 17 April 2008 | 8.0 cents | 100% | N/A |
| 2007 | 4 May 2007 | 5.0 cents | 100% | N/A |
| 2006 | 4 May 2006 | 4.2 cents | 100% | N/A |
| Total | | | | |
| 2009 | | N/A | | |
| 2008 | | 18.1 cents | | |
| 2007 | | 11.7 cents | | |
| 2006 | | 9.3 cents | | |

7. Details of dividend reinvestment plans

The Transpacific Industries Group Ltd Dividend Reinvestment Plan is in operation, however there is no FY2009 dividend payable.

8. Reconciliation of retained profits

| | 30 June 09 \$'000 | 30 June 08 \$'000 |
|--|----------------------|----------------------|
| Retained profits at beginning of year | 272,806 | 139,183 |
| Net profit attributable to members of the parent entity | (218,356) | 193,276 |
| Distribution paid to Step up preference security holders | (19,050) | (18,025) |
| Dividends paid | (29,621) | (41,628) |
| Retained profits at end of year | 5,779 | 272,806 |

TRANSPACIFIC INDUSTRIES GROUP LTD

9. NTA backing

| | 30 June 09 Cents | 30 June 08 Cents |
|--|---------------------|---------------------|
| Net tangible asset backing per ordinary security | (339.42) | (360.23) |

During the period Transpacific improved its net tangible asset position. A deficiency in net tangible assets results due to Transpacific's large holdings of intangible assets.

10. Details of entities over which control has been gained and businesses acquired during the period

During the year Transpacific acquired the following entities and businesses:

- On the 15 September 2008 the Group purchased the Excell Provisional business in NZ. The business has been incorporated into the Industrial Services division and contributed \$2.8m EBITDA to the Group's 2009 result.
- On the 1 October 2008 the Group purchased the shares in Higgins Trading Company Pty Ltd (now Transpacific Recycling Pty Ltd). The company is a recycling business and has been incorporated into the Solid Waste division. It contributed \$0.8m in EBITDA to the Group's 2009 result.

There were numerous other businesses purchased during the year which are immaterial.

TRANSPACIFIC INDUSTRIES GROUP LTD

Details of entities over which control has been gained and businesses acquired during the period (continued)

Details of the aggregate cash outflow relating the acquisition of businesses and the aggregate assets and liabilities of those businesses at the date of acquisition were as follows:

| | 2009 \$'000 | 2008 \$'000 |
|--|-----------------|----------------|
| Fair value of Net Assets Acquired: | | |
| Cash and cash equivalents | 676 | 3,253 |
| Receivables | 3,320 | 9,050 |
| Inventory | 2,211 | 5,544 |
| Other current assets | 2,618 | 7,400 |
| Non-current assets held for sale | - | - |
| Investments in associates | 1,700 | (10,830) |
| Property, plant and equipment | 13,930 | 102,011 |
| Deferred tax assets | - | 17,621 |
| Intangibles | - | 4,789 |
| | 24,455 | 138,828 |
| Trade creditors and other payables | (2,027) | (33,992) |
| Employee entitlements | (1,858) | (2,344) |
| Borrowings | - | (46,387) |
| Deferred tax liabilities | - | - |
| Other liabilities | (792) | - |
| Provisions | - | (12,532) |
| | (4,677) | (95,255) |
| Fair value of net assets | 19,778 | 43,573 |
| Profit on acquisition | - | (3,250) |
| Goodwill arising on acquisition | 36,740 | 201,388 |
| | 56,518 | 241,711 |
| Consideration paid: | | |
| Shares issued | 2,456 | 12,656 |
| Cash consideration and costs associated with the acquisition | 54,062 | 217,643 |
| Minority interests | - | 11,412 |
| Total consideration paid | 56,518 | 241,711 |
| The cash outflow on acquisition is as: | | |
| Net cash acquired | 676 | 3,253 |
| Costs associated with the acquisition | (54,062) | (217,643) |
| Deferred settlements | 570 | 18,991 |
| | (52,816) | 3,253 |

TRANSPACIFIC INDUSTRIES GROUP LTD

11. Details of associates and joint venture entities

| Name of entity | % of ownership interest held | % of ownership interest held | Contribution to net profit | Contribution to net profit |
|--|------------------------------|------------------------------|----------------------------|----------------------------|
| | 30 June 09 | 30 June 08 | 30 June 09 \$'000 | 30 June 08 \$'000 |
| Western Resource Recovery Pty Ltd | 50% | 50% | 913 | 922 |
| Total Waste Management Pty Ltd | 50% | 50% | (4) | 96 |
| ERS Co Pty Ltd | 49% | 49% | - | - |
| Western Star Truck Centre Trust | 50% | 50% | - | - |
| Otago Southland Waste Services Ltd | 50% | 50% | 228 | 173 |
| Canterbury Waste Services Ltd (1) | 100% | 100% | - | 449 |
| Living Earth Ltd | 50% | 50% | 967 | (275) |
| Midwest Disposals Ltd | 50% | 50% | 543 | 571 |
| Pikes Point Transfer Station Ltd | 50% | 50% | 149 | 174 |
| Wellington Waste Disposal Pty Ltd | 50% | 50% | 127 | (14) |
| Wonthaggi Recyclers Pty Ltd | 50% | 50% | 336 | 310 |
| Enviroguard Pty Ltd (2) | 100% | 100% | - | 1,664 |
| Enviroway Ltd (3) | - | 50% | 484 | 314 |
| Earthpower Technologies Sydney Pty Ltd (4) | 50% | 50% | (1,172) | (1,832) |
| Mullan and Noy Ltd (5) | 50% | 50% | (55) | 80 |

(1) 100% ownership obtained on 19 September 2007

(2) 100% ownership interest obtained 1 December 2007

(3) 50% ownership interest sold 30 June 2009

(4) 50% ownership interest obtained 21 August 2007

(5) 50% ownership interest obtained 24 July 2007

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Refer to Results Presentation release

13. N/A

TRANSPACIFIC INDUSTRIES GROUP LTD

14. Commentary on the results for the period.

Significant features of operating performance

Contributions from the business divisions are as follows (refer results presentation release for further detail):

| | \$'000 | \$'000 |
|----------------------------------|--------------|--------------|
| | 30 June 2009 | 30 June 2008 |
| Liquid Waste management | | |
| Sales Revenue | 183,328 | 182,277 |
| EBIT | 40,000 | 43,985 |
| Biosolids | | |
| Sales Revenue | 16,395 | 28,277 |
| EBIT | 917 | 3,719 |
| Energy | | |
| Sales Revenue | 113,015 | 110,658 |
| EBIT | 30,808 | 34,005 |
| Industrial Solutions | | |
| Sales Revenue | 295,225 | 284,705 |
| EBIT | 31,067 | 31,866 |
| Manufacturing | | |
| Sales Revenue | 71,162 | 58,757 |
| EBIT | 8,963 | 7,513 |
| Solid Waste | | |
| Sales Revenue | 1,038,062 | 1,011,048 |
| EBIT | 168,174 | 251,471 |
| Commercial Vehicles Group | | |
| Sales Revenue | 455,060 | 473,893 |
| EBIT | 28,085 | 43,006 |
| Total business segments | | |
| Sales Revenue | 2,172,247 | 2,149,615 |
| EBIT | 308,014 | 415,565 |

TRANSPACIFIC INDUSTRIES GROUP LTD

| Unallocated | 30 June 09 | 30 June 08 |
|--------------------|-------------------|------------|
| Sales Revenue | - | - |
| EBIT | 4,518 | 5,903 |
| TOTAL | 30 June 09 | 30 June 08 |
| Sales Revenue | 2,172,247 | 2,149,615 |
| EBIT | 312,532 | 421,468 |

Earnings per share and the nature of any dilution aspects

| | 30 June 09 | 30 June 08 |
|---|--------------------|-------------|
| | Cents | Cents |
| Basic earnings per share | (71.6) | 61.8 |
| Diluted earnings per share | (75.1) | 58.4 |
| | No. | No. |
| Number of ordinary shares used in the calculation of basic earnings per share | 304,615,091 | 283,537,333 |
| Effect of executive and other share options on issue | 11,054,079 | 16,743,454 |
| Number of ordinary shares used in the calculation of diluted earnings per share | 315,669,170 | 300,280,787 |

15. Debt Restructure and Compliance statement regarding Audit

TRANSPACIFIC INDUSTRIES GROUP LTD

This report is based on accounts which are in the process of being audited.

The audit report on the accounts will contain an emphasis of matter in relation to going concern. This is a result of the breach of the USPP and Syndicated Facility Agreements previously disclosed to the market which resulted in the classification of all debt as current.

Subsequent to year end, the Group successfully completed a review of its capital structure. On 5 August 2009 the entity raised \$801 million through the settlement of a placement of shares, Institutional Entitlement Offer, Institutional Entitlement Bookbuild and the pre-funding of a Retail entitlement offer. Full details of the offer are set out in a retail entitlement prospectus dated 20 July 2009.

On 5 August 2009 the paydown of \$704 million, long-term extension, amendment and waiver of identified past breaches of Transpacific's syndicated facility and the amendment and waiver of identified past breaches of Transpacific's USPP were also completed and took effect. As of today, Transpacific is compliant with all its bank and USPP facilities.

The directors remain confident that the capital raised, in conjunction with renewed debt facilities, satisfy the Group's funding requirements.

Having regard to the factors described above, the directors consider that there are reasonable grounds to believe that the Group will through a combination of the completed equity raising, free operating cash flows and the continued support of its bankers and financiers, be in a position to pay all debts as and when they fall due in the ordinary course of business.

Sign here: 
(Company Secretary)
Print name: Kellie Smith

Date: 26 August 2009