TRANSPACIFIC INDUSTRIES GROUP LTD

Transpacific Industries Group Ltd
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20 July 2009

Australian Securities Exchange
Companies Announcement Office

Dear Sirs

ASIC – Prospectus lodgement 1.77 for 1 accelerated renounceable entitlement offer

We attach a copy of the prospectus which has today been lodged with ASIC.

Yours faithfully

Kellie Smith

Kellie Smith
Company Secretary

TRANSPACIFIC INDUSTRIES GROUP LTD

Prospectus

1.77 for 1 accelerated renounceable entitlement offer

This is an important document and requires your immediate attention.

If you are an Eligible Retail Shareholder, you should read this Prospectus in its entirety before deciding whether or not to accept the offer of New Shares. Your Entitlement may have value and you should therefore consider whether to take up your Entitlement.

If you do not understand any part of this Prospectus, or are in any doubt as to how to deal with it or your Entitlement, you should consult your stockbroker, accountant or other professional adviser.

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF US PERSONS.

This document is not an offer of securities for sale in the United States. The securities to be issued under the Equity Raising have not been, and will not be, registered under the United States Securities Act of 1933 and may not be offered, sold or delivered, directly or indirectly, in, or to persons in, the United States, except in accordance with an available exemption from registration.

Joint Lead Managers and Underwriters

Deutsche Bank

MACQUARIE

Industrial Solutions Liquid and Hazardous Waste Commercial Vehicles Solid Waste Energy Organics and Remediation Manufacturing

Important notice

This Prospectus is dated 20 July 2009 ("Prospectus") and was lodged with ASIC on that date by Transpacific Industries Group Limited ACN 101 155 220 ("Transpacific"). ASIC takes no responsibility for the contents of this Prospectus. This Prospectus has been prepared by Transpacific.

- The Joint Lead Managers take no responsibility or liability for the contents of this Prospectus.
- None of the Joint Lead Managers' directors, officers, employees or advisers make any warranty or representation as to the accuracy of the information in this Prospectus.
- The Joint Lead Managers exclude and disclaim all liability, except where it may not lawfully be excluded, for losses incurred as the result of that information being inaccurate or incomplete.
- The Joint Lead Managers have made no representations or warranties concerning the capital raising.
- Readers of this Prospectus should make their own decisions whether or not to participate based on their own enquiries and information contained in this Prospectus and other information provided.

This Prospectus expires on 19 August 2010. No Shares will be issued on the basis of this Prospectus after that expiry date.

This Prospectus is important and requires your immediate attention.

You should read this Prospectus carefully and in its entirety before deciding whether or not to invest in New Shares. In particular, you should consider the risk factors that could affect the performance of Transpacific or the value of an investment in Transpacific, some of which are outlined in Section 6 of this Prospectus. The information contained in this Prospectus is not investment or financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individual investors.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading this Prospectus, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

The potential tax effects of the Retail Entitlement Offer will vary between investors. A summary of potential Australian tax implications is contained in Section 8 of this Prospectus. However, you should satisfy yourself of any possible tax consequences by consulting your professional tax adviser.

Investors should note that the past Share price performance of Transpacific provides no guidance as to its future Share price performance.

Transpacific will, within seven days of the date of this Prospectus, apply for the grant by ASX of official quotation of the New Shares. ASX takes no responsibility for the contents of this Prospectus.

Prospectus availability

Eligible Retail Shareholders will be mailed a copy of this Prospectus, together with a personalised Entitlement and Acceptance Form.

Eligible Retail Shareholders in Australia can obtain a copy of this Prospectus during the Entitlement Offer Period on the Transpacific website at www.transpacific.com.au or by calling the Transpacific Shareholder Information Line on the numbers listed below under the heading "Enquiries".

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus on the Transpacific website will not include an Entitlement and Acceptance Form. **Shareholders in jurisdictions outside Australia (including Shareholders in the United States) are not entitled to access a copy of the Prospectus on Transpacific's website.**

Eligible Retail Shareholders will only be entitled to take up their Entitlement in relation to New Shares by completing the Entitlement and Acceptance Form which accompanies this Prospectus or by paying all Application Monies by BPAY® (see Section 3 for further information).

Any references to documents included on Transpacific's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference in this Prospectus.

Neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent to investors outside Australia, including to investors who are in the United States or to a US Person (or to any person acting for the account or benefit of a US Person), or investors in any other place in which, or to any person to whom, it would not be lawful to distribute it.

Future performance and forward-looking statements

Except as required by law, and then only to the extent required, neither Transpacific nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to this Prospectus. Past performance is not indicative of future performance.

The pro-forma historical and pro-forma forecast Financial Information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of Transpacific's view on its future financial condition and/or performance.

The forward-looking statements in this Prospectus are based on Transpacific's current expectations about future events. They are, however, subject to known and unknown risks (including but not limited to the risks outlined in Section 6), uncertainties and assumptions, many of which are outside the control of Transpacific and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Prospectus.

This Prospectus details some important factors and risks that could cause Transpacific's actual results to differ from the forward-looking statements in the Prospectus.

Australia only

This Prospectus contains an offer to Eligible Retail Shareholders in Australia of continuously quoted securities (as defined in the Corporations Act) of Transpacific, and has been prepared in accordance with section 713 of the Corporations Act (see Section 9 for further information regarding the nature of this Prospectus).

Foreign jurisdictions

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia. No action has been taken to register or qualify the Entitlement Offer (including the Retail Entitlement Offer), the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The Entitlement Offer is not being extended to any Shareholder outside Australia, other than to Eligible Institutional Shareholders as part of the Institutional Entitlement Offer and to certain Institutional Investors under the Institutional Entitlement Bookbuild and Retail Entitlement Bookbuild. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to a US Person (or to any person acting for the account or benefit of a US Person), or in any other place in which, or to any person to whom, it would not be lawful to make such an offer. Neither this Prospectus, nor the accompanying Entitlement and Acceptance Form may be distributed to, or relied upon by, persons in the United States or who are, or are acting for the account or benefit of, US Persons.

The distribution of this Prospectus (including an electronic copy) outside Australia is restricted by law. If you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

None of the Entitlements under the Entitlement Offer, the Shares or the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a US Person, and the Shares and New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Accordingly, the Shares and New Shares will constitute "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and, for so long as the Shares and New Shares remain restricted securities, the Shares and New Shares may not be deposited in any unrestricted American Depository Receipt facility with respect to the ordinary shares of Transpacific.

The return of a duly completed Entitlement and Acceptance Form and cheque for payment of any Application Monies or payment of any Application Monies for New Shares by BPAY will be taken by Transpacific to constitute a representation and warranty made by the applicant to Transpacific that there has been no breach of such laws.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Prospectus.

Any information or representation that is not in this Prospectus may not be relied on as having been authorised by Transpacific, the Joint Lead Managers or their respective related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, neither Transpacific, its Directors or any other person, warrants or guarantees the future performance of Transpacific or any return on any investment made pursuant to this Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings, which are explained in the glossary, as are certain rules of interpretation that apply to this Prospectus.

A reference to time in this Prospectus is to the local time in Brisbane, Australia (Brisbane time), unless otherwise stated. All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

Enquiries

If you have any questions in relation to the Entitlement Offer, please contact your stockbroker, accountant or other professional adviser.

If you have questions in relation to the Existing Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up all or part of your Entitlement, please call the Transpacific Shareholder Information Line as set out below:

- Within Australia 1300 751 842 (local call cost); and
- Outside Australia +61 3 9415 4204.

The Transpacific Shareholder Information Line is open from 8.30am to 5.00pm (Brisbane time) Monday to Friday during the Entitlement Offer Period.

Privacy

Please read the privacy statement located in Section 9.18. It is important you understand that by submitting an Entitlement and Acceptance Form accompanying this Prospectus, you consent to the matters outlined in that statement.

® Registered to BPAY Pty Limited ABN 69 079 137 518.

Contents

What should you do?

This Prospectus contains important information in relation to the Retail Entitlement Offer. You should read it carefully and in its entirety, including Section 6 which contains a summary of the major risks associated with an investment in Transpacific and Section 8 which contains a general summary of the tax implications associated with the Retail Entitlement Offer for Eligible Retail Shareholders. If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision. If you are an Eligible Retail Shareholder, you may either:

- take up your full Entitlement under the Retail Entitlement Offer;
- partially take up your Entitlement; or
- take no action.

If you do not take up part or all of your Entitlement or you are an Ineligible Retail Shareholder, the New Shares for which you would otherwise be able to subscribe will be placed in the Retail Entitlement Bookbuild and offered for sale to Institutional Investors. For each New Share of your Entitlement that you do not subscribe for under the Retail Entitlement Offer, you will be paid the excess (if any) of the Clearing Price achieved through the Retail Entitlement Bookbuild above the Entitlement Offer Price.

See Section 3 for further details about the choices available to you.

Chairman's letter

Dear Shareholder

On behalf of the Directors of Transpacific, I am pleased to invite you to participate in an underwritten 1.77 for 1 accelerated renounceable entitlement offer at an Entitlement Offer Price of $1.20 per New Share ("Entitlement Offer").

This Entitlement Offer marks the final milestone in implementing the Recapitalisation plan announced on 9 June 2009.

In response to the ongoing financial crisis and flow-on impacts in the macro economy, coupled with Transpacific's current level of borrowings, Transpacific undertook an extensive capital review to strengthen the financial position of the Company. The capital review process has taken close to five months to complete. During this time, our Shares have been suspended from trading as we held discussions with a number of parties to develop a proposal which would serve the best interests of our Shareholders.

While this has been a challenging time for our Company, a comprehensive Recapitalisation program can now be implemented to reduce our debt. This is a pivotal development for Transpacific and the Board is pleased to be able to provide all Shareholders with the opportunity to participate.

The Equity Raising and the Cornerstone Investor

Transpacific is seeking to raise approximately $801.1 million through a combination of the Entitlement Offer and an Initial Placement to WP X Holdings B.V. ("WP Holdings" or the "Cornerstone Investor"), an affiliate of leading global private equity firm Warburg Pincus (together the "Equity Raising"). The Entitlement Offer is fully underwritten by the Joint Lead Managers and partly sub-underwritten by the Cornerstone Investor.

Through the Equity Raising, the Cornerstone Investor will become a significant Shareholder in Transpacific, with a potential ownership interest of up to 41.3% of Shares on issue at the completion of the Recapitalisation (see Sections 2.6 and 9.6.3). Subject to the satisfaction or waiver of certain conditions the Cornerstone Investor has agreed to:

- invest approximately $64.5 million through an Initial Placement of approximately 35.8 million Initial Placement Shares at a price of $1.80 per Initial Placement Share, a 50% premium to the Entitlement Offer Price ("Initial Placement");
- subscribe for its pro-rata Entitlement under the Institutional Entitlement Offer, in respect of the Initial Placement Shares;
- sub-underwrite up to approximately 150.0 million New Shares under the Institutional Entitlement Offer;
- sub-underwrite all of the Retail Entitlement Offer, including the pre-funding of all of the Retail Entitlement Offer on the Institutional Settlement Date; and
- receive approximately 71.6 million Warrants, which are equity warrants with the potential to be exercisable over approximately 71.6 million Shares.

The Cornerstone Investor's participation in the Recapitalisation is subject to a number of conditions that must be satisfied or waived on or before the Institutional Settlement Date. The applicable conditions are set out in detail in Section 9.6 of this Prospectus. Transpacific will announce the status of those conditions on the trading day following the Institutional Settlement Date.

The Cornerstone Investor may also subscribe at the Entitlement Offer Price for up to approximately 92.1 million Secondary Placement Shares less the number of New Shares that the Cornerstone Investor obtains under its sub-underwriting of the Entitlement Offer ("Secondary Placement"). The Secondary Placement enables the Cornerstone Investor to obtain a minimum shareholding in Transpacific of approximately 18% of Transpacific's issued Shares after the settlement of the Equity Raising and Secondary Placement.

Recognising the Cornerstone Investor's substantial investment in Transpacific, and reflecting an enhanced focus on governance, a representative of the Cornerstone Investor will be invited to join the Board following completion of the Equity Raising. The Cornerstone Investor will also be entitled to participate in the identification and appointment of two additional independent Non-Executive Directors and Transpacific has agreed to obtain consent from or consult with the Cornerstone Investor prior to undertaking certain actions (see Section 2.6).

The Peabody Family has committed to take up $70 million of New Shares under the Institutional Entitlement Offer and did not participate in the Institutional Entitlement Bookbuild.

Importantly, the Equity Raising has been structured such that Transpacific's total funding requirement for the Recapitalisation (approximately $801.1 million) will all be received by the Company on the Institutional Settlement Date. In order to achieve this outcome, the Cornerstone Investor has agreed to pre-pay all of the proceeds of the Retail Entitlement Offer from the Institutional Settlement Date.

Debt restructure

The proceeds from the Equity Raising will be used to pay down a portion of Transpacific's existing $2,095 million Syndicated Facility in addition to closing out interest rate swap contracts at a cost of approximately $40 million, and paying the costs of the Equity Raising, Secondary Placement and debt refinancing.

As part of the agreed recapitalisation proposal, Transpacific has also agreed with the majority of its existing lenders to amend and extend the term of its existing syndicated facility agreement ("Amended Facility Agreement"). This will result in the Company reducing its total debt by at least $704 million and extending the term of the balance of bank debt in new four and five year tranches. There will be no refinancing of debt required until at least September 2012, when Transpacific's USPP note holders may require the USPP notes to be repaid.

The refinancing will significantly improve Transpacific's credit profile and will provide Transpacific with the financial flexibility to pursue planned growth projects. Following completion of the Equity Raising, pro-forma balance sheet gearing will fall from 60% as at 31 December 2008 to 43%.

The recapitalisation of Transpacific is expected to be completed on the Institutional Settlement Date, 5 August 2009, prior to settlement of the Retail Entitlement Offer.

Trading update and dividends

Reported EBITDA in FY2008A of $540.5 million included $48.0 million of irregular items, predominantly relating to the sale of land and re-estimation of a remediation provision. Excluding these items, underlying operating EBITDA in FY2008A was $492.5 million. As a result of the general slowdown in economic activity in both Australia and New Zealand over the past year, particularly impacting on our New Zealand, Liquid and Hazardous and Commercial Vehicles divisions, operating EBITDA is expected to decrease 9% from $492.5 million in FY2008A to $447.0 million in FY2009F. Normalised NPAT is expected to be $61.0 million in FY2009F. FY2009F NPAT will also be impacted by significant items of approximately $328.4 million (before tax). See Section 5 for Financial Information on Transpacific.

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

Transpacific has agreed to certain restrictions on the payment of future dividends with the Cornerstone Investor and Transpacific's syndicate banks and USPP noteholders. As a result, the Board does not expect to declare a FY2010 interim dividend. Further information regarding future dividends is set out in Sections 5.10 and 9.9.2.

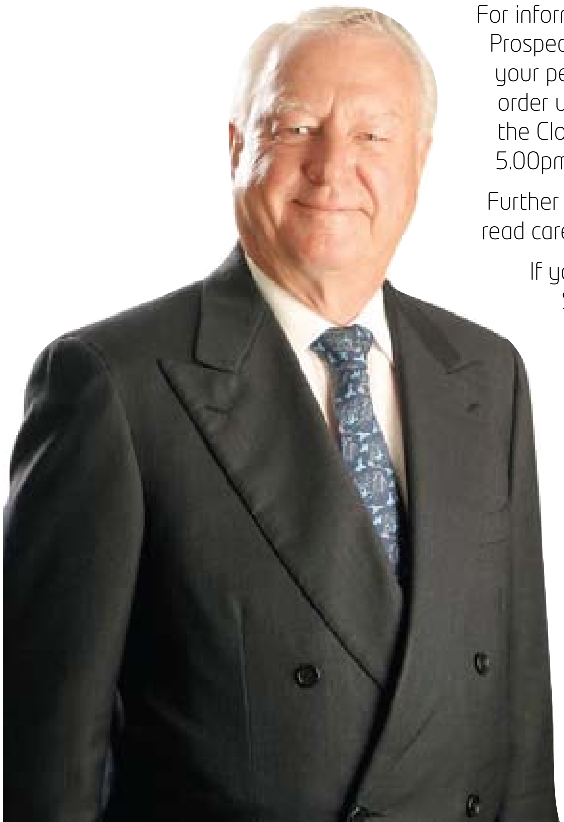
Details of the Retail Entitlement Offer

This Prospectus relates to the Retail Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to subscribe for 1.77 New Shares for every 1 Existing Share held at 7.00pm on 20 July 2009 ("Record Date") at an Entitlement Offer Price of $1.20 per New Share. The Entitlement Offer Price represents a 33% discount to Transpacific's closing price on 16 February 2009 of $1.80.

If you do not take up part or all of your Entitlement or are ineligible to participate, the New Shares for which you would otherwise be able to subscribe will be placed in the Retail Entitlement Bookbuild and may be sold to Institutional Investors. For each New Share of your Entitlement that you do not subscribe for under the Entitlement Offer, you will be paid the excess (if any) of the Clearing Price achieved through the Retail Entitlement Bookbuild above the Entitlement Offer Price.

The Retail Entitlement Offer closes at 5.00pm Brisbane time on 17 August 2009.



Other information

For information on how to take up all or part of your Entitlement see Section 3 of this Prospectus. To participate in the Retail Entitlement Offer, you will need to complete and return your personalised Entitlement and Acceptance Form with your cheque, bank draft or money order using the reply paid envelope provided or make a payment via BPAY. Please note that the Closing Date for receipt of Entitlement and Acceptance Form and Application Monies is 5.00pm Brisbane time on 17 August 2009.

Further details of the Retail Entitlement Offer are set out in this Prospectus, which you should read carefully and in its entirety, including the risk factors set out in Section 6.

If you have any questions about the Retail Entitlement Offer, please call the Transpacific Shareholder Information Line on 1300 751 842 (within Australia) or +61 3 9415 4204 (outside Australia) between 8.30am and 5.00pm (Brisbane time) Monday to Friday during the Entitlement Offer Period or consult your stockbroker, solicitor, accountant or other professional adviser.

On behalf of the Directors, I thank you for your continued support of Transpacific and encourage you to consider this investment opportunity.

Yours sincerely,

Terry Peabody
Executive Chairman

Key dates

Equity Security allotted to Cornerstone Investor	15 July 2009
Institutional Entitlement Offer opened	15 July 2009
Institutional Entitlement Offer closed	16 July 2009
Institutional Entitlement Bookbuild conducted	16 – 17 July 2009
Record Date for the Entitlement Offer	**7.00pm on 20 July 2009**
Prospectus lodged with ASIC and ASX	20 July 2009
Retail Entitlement Offer opens	20 July 2009
Settlement of the Initial Placement, the Institutional Entitlement Offer, Institutional Entitlement Bookbuild and pre-funded Retail Entitlement Offer proceeds	5 August 2009
Issue of Initial Placement Shares under the Initial Placement	5 August 2009
Warrants allotted to Cornerstone Investor	5 August 2009
Issue of New Shares under the Retail Entitlement Offer to the Securities Escrow Agent	5 August 2009
Issue of New Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild and normal trading of those New Shares expected to commence on ASX	6 August 2009
Dispatch of confirmation of allotment statements under Institutional Entitlement Offer	6 August 2009
Retail Entitlement Offer closes	**5.00pm on 17 August 2009**
Retail Entitlement Bookbuild conducted	20 – 21 August 2009
Settlement of the Retail Entitlement Offer, Retail Entitlement Bookbuild and Secondary Placement (if applicable)	27 August 2009
Transfer of New Shares under the Retail Entitlement Offer and the Retail Entitlement Bookbuild from the Securities Escrow Agent and issue of Secondary Placement Shares (if applicable)	28 August 2009
Expected dispatch of confirmation of allotment statements under Retail Entitlement Offer	31 August 2009
Normal trading of New Shares transferred under the Retail Entitlement Offer and the Retail Entitlement Bookbuild and Secondary Placement Shares issued under the Secondary Placement (if applicable) expected to commence on ASX	31 August 2009
Dispatch of Retail Premium (if any) in respect of renounced and ineligible Entitlements under the Retail Entitlement Offer	10 September 2009

The above timetable is indicative only and subject to change. The commencement of quotation of New Shares is subject to confirmation from ASX. Transpacific, in conjunction with the Joint Lead Managers and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates and times without notice. In particular, Transpacific reserves the right to extend the Closing Date for the Retail Entitlement Offer, to accept late Applications either generally, or in particular cases, or to withdraw all or part of the Entitlement Offer without prior notice.

All times mentioned in the above table are references to Brisbane time.

Key statistics

Entitlement Offer Price	$1.20 per New Share
Entitlement	1.77 New Shares for every 1 Existing Share held on the Record Date
Number of New Shares to be offered under the Entitlement Offer	Approximately 613.8 million
Gross Entitlement Offer proceeds	Approximately $736.6 million
Initial Placement Price	$1.80 per Initial Placement Share
Number of Initial Placement Shares to be issued under the Initial Placement	Approximately 35.8 million
Gross Initial Placement Proceeds	Approximately $64.5 million
Gross Equity Raising proceeds	Approximately $801.1 million
Number of Shares to be issued under the Equity Raising	Approximately 649.7 million
Secondary Placement Price (if applicable)	$1.20 per Secondary Placement Share
Maximum number of Secondary Placement Shares that could be issued under the Secondary Placement (if applicable)	Approximately 92.1 million[1]
Maximum gross Secondary Placement proceeds (if applicable)	Approximately $110.5 million[1]

1. The maximum number of Secondary Placement Shares is reduced by the number of New Shares that the Cornerstone Investor obtains under its sub-underwriting of the Entitlement Offer. For further details, see Section 2.9.

Investment highlights

1 **Market leading businesses and high quality assets**

2 **Resilient industry and business structure**

3 **Strengthened balance sheet and long-term debt extensions**

4 **Experienced management team and enhanced governance**

5 **Cornerstone Investor**

6 **Growth opportunities**

7 **Opportunity to increase your investment on attractive terms**

Divisions

- Solid Waste
- Liquid and Hazardous Waste
- Energy
- Organics and Remediation
- Industrial Solutions
- Commercial Vehicles
- Manufacturing

Investment highlights (continued)

1 Market leading businesses and high quality assets

Transpacific is Australasia's leading provider of integrated total waste management solutions

- Major infrastructure assets with extensive trans-Tasman footprint of 36 landfills (including 17 managed sites), 51 resource recovery centres and 57 liquid waste processing, treatment and disposal facilities

Solid Waste	• Australia and New Zealand's leader in collection, transportation and disposal of solid commercial and municipal waste, including landfill and transfer station operation, resource recovery and recycling • Strategically located major city landfill assets contributing to a significant land bank over time • Leading collector of used paper and cardboard in New Zealand and large collector of scrap steel and used cardboard in Australia
Liquid Waste	• Leading Australian and New Zealand business in collection, treatment and disposal of liquid and hazardous waste and other services such as water recycling
Energy	• Collection, transport, treatment, storage and recycling of waste mineral oil, used cooking oils, fats and tallows • Re-refining of waste mineral oil and contaminated fuels into fully refined lubricant base oils and recycled fuels. Waste to energy services • Leading collector and recycler of used mineral oil in Australia
Organics/Remediation	• Specialises in site remediation, contaminated site clean-up, dredging, composting and biosolids management
Industrial Solutions	• Australia and New Zealand's leading specialist in industrial cleaning and total waste management business solutions
Commercial Vehicles	• Exclusive Australian importer and distributor of Western Star and MAN heavy duty trucks and associated parts, MAN bus chassis and industrial engines
Manufacturing	• Manufactures vehicle bodies, parts washers, bins and waste compaction units to support Transpacific's own operations as well as industry

2 Resilient industry and business structure

Transpacific's business is supported by long-term contracted revenue streams and strong customer relationships

- Multi-year municipal contracts represent 20% of solid waste revenue and 85% of commercial and industrial customers are contracted
- Solid and liquid waste management represents approximately 80% of FY2009F Operating EBITDA
- Integrated "cradle to grave" waste services offer provides a competitive advantage
- Industrial Solutions contracts include substantial public sector work
- Leading provider of essential services
- Many of Transpacific's businesses operate in industries in which growth is driven by population and consumption growth and increasing environmental regulation

3 Strengthened balance sheet and long-term debt extensions

The Equity Raising is part of a comprehensive Recapitalisation of Transpacific and will significantly improve Transpacific's credit profile. Financial covenants have been renegotiated with Transpacific's syndicate banks and USPP investors to reflect conservative expectations for the Company's earnings outlook.

Following the completion of the Equity Raising:

- pro-forma gearing[1] (net debt/(net debt + equity)) is expected to fall from 60% to 43%;
- pro-forma EBITDA/Interest[3] cover is expected to increase from 2.5x to 2.9x;
- pro-forma net debt/EBITDA[2] is expected to fall from 5.2x to 3.6x;
- syndicated debt maturities will be extended from 2009/2010 to 2013/2014 into new four and five year tranches; and
- there will be no debt refinancing required until at least September 2012 when USPP note holders may require the USPP notes to be repaid.

4 Experienced management team and enhanced governance

The existing senior management team led by Terry Peabody (Executive Chairman) has extensive operational experience and will continue to pursue Transpacific's planned organic growth projects. Terry Peabody has over 20 years' experience in the waste management industry and the managers of Transpacific's operating divisions have significant industry experience.

Following completion of the Recapitalisation, a number of new measures will be implemented to strengthen corporate governance, financial management and controls within Transpacific. These measures include:

- the appointment of a nominee from the Cornerstone Investor to the Board of Directors;
- the appointment of two additional independent Non-Executive Directors by agreement between the Cornerstone Investor and Transpacific;
- the appointment of an internal auditor; and
- the requirement that Transpacific obtain consent from or consult with the Cornerstone Investor prior to undertaking certain actions.

1. Pro-forma gearing based on 31 December 2008 Pro-forma Consolidated Balance Sheet. See Section 5.7.
2. Pro-forma net debt/EBITDA based on 31 December 2008 Pro-forma Consolidated Balance Sheet and FY2009PF Consolidated Income Statement. See Sections 5.7 and 5.4.
3. Pro-forma EBITDA/Interest cover based on FY2009PF Consolidated Income Statement excluding non-cash borrowing costs.

Investment highlights (continued)

5 Cornerstone Investor

- The Cornerstone Investor is an affiliate of Warburg Pincus, a leading global private equity firm
- Warburg Pincus invests in a range of sectors and has an active portfolio of more than 100 companies diversified by stage, sector and geography
- Warburg Pincus has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo
- The Cornerstone Investor has committed to invest up to $496 million in Transpacific under the Equity Raising, subject to the conditions provided for in the Subscription Agreement (as detailed in Section 9.6.1)

6 Growth opportunities

Transpacific has a number of ongoing projects which will support organic growth including:

- continuing to leverage intergroup cross-marketing opportunities;
- developing alternative waste and energy technologies;
- further opportunities in water recycling;
- expanding the range of services offered in industrial services to include refractory management, and greater exposure to the petrochemical and demolition industries;
- construction of additional hydrogenation facilities;
- distribution of additional brands of commercial vehicles to supplement existing products;
- new manufacturing product introductions, including vacuum tankers, equipment for Materials Recycling Facilities (MRFs), sweepers and steel bins; and
- margin improvement through a focus on strengthening and integration of business management systems, including implementation of JD Edwards accounting software.

While Transpacific's focus will be on organic growth, there continues to be potential for further strategic consolidation in the Australian solid waste sector. Any future acquisitions would be assessed against Transpacific's financial returns criteria and conservatively funded.

7 Opportunity to increase your investment on attractive terms

- The Entitlement Offer Price represents:
  - a 33% discount to the price at which the Cornerstone Investor has committed to subscribe for the Initial Placement of $1.80 per Share;
  - a 33% discount to the last traded price of $1.80 per Share on 16 February 2009.
- Eligible Retail Shareholders do not have to pay any brokerage or commission to subscribe for New Shares under the Retail Entitlement Offer.

Shareholders who do not take up all of their Entitlements will have their percentage shareholding in Transpacific diluted.

Summary of key risks

In addition to normal risks affecting any stock exchange listed equity investment, an investment in New Shares is subject to risks associated with Transpacific's operations as well as general economic and investment risks, which includes those set out in Section 6 as summarised below.

The list below is not exhaustive and you should read Section 6 in detail before deciding whether or not to invest in New Shares.

Risks associated with the Equity Raising

Risk area	Summary of risk	More information
Conditionality of the Cornerstone Investor's investment	The Cornerstone Investor's participation in the Recapitalisation of the Company through the Initial Placement, the Entitlement Offer and its sub-underwriting of part of the Entitlement Offer is subject to a number of conditions that must be satisfied or waived on or before the Institutional Settlement Date. These conditions are set out in the Subscription Agreement and are summarised in Section 9.6.1.	Section 6.2.1
Inability to complete the Equity Raising	There is a cross-dependency between the waiver of the Company's breaches under the USPP and the Syndicated Facility and the completion of the investment by the Cornerstone Investor and the Equity Raising. Should any of the conditions of the Subscription Agreement (as outlined in Sections 6.2.1 and 9.6.1) or any part of the Equity Raising not be completed, Transpacific will not be able to pay down the amount of debt as agreed with its debt providers and therefore, Transpacific will not obtain a waiver of the breaches to its USPP and Syndicated Facility as outlined in this Prospectus. This will require Transpacific to re-enter negotiations with debt and equity providers and there can be no guarantee that these negotiations will be successful. Conditions and termination events under the Underwriting Agreement are detailed in Section 9.5, and details of the Initial Placement and Sub-Underwriting Agreement are set out in Section 9.6. Details of the proposed waivers in relation to the USPP and Syndicated Facility are set out in Sections 9.7.1 and 9.7.2.	Section 6.2.2

Operational and financial risks

Risk area	Summary of risk	More information
Macroeconomic factors	Deterioration in general macroeconomic conditions may have a material impact upon Transpacific's operating and financial performance and cashflows.	Section 6.3.1
Competition	A number of entities compete with Transpacific in the areas in which it provides services. Transpacific's current market share and/or profit margins may be impacted by the level of industry competition. This may materially affect Transpacific's financial performance and cashflows.	Section 6.3.2
Sustainability of growth and margins	Revenue growth and the level of profit margins from operations are dependent on a number of factors outside Transpacific's control. Industry margins in all of the sectors in which Transpacific operates are likely to be subject to continuing but varying margin pressures.	Section 6.3.3
Commodity prices	Transpacific is a significant seller and purchaser of petroleum products and is therefore exposed to changes in the prices of these petroleum commodities, particularly oil and diesel fuel. Transpacific also sells into a number of recycled materials markets such as the metals, scrap metals, plastics, cardboard, paper, recycled oil and base oil markets. Fluctuations in the commodity pricing for such recycled materials may have a material impact on the Group's financial performance and cashflows.	Section 6.3.4

Summary of key risks (continued)

Operational and financial risks (continued)

Risk area	Summary of risk	More information
Exchange rates	Adverse movements in exchange rates, in particular A$:Euro and A$:US$, relating to either finished product or raw material costs or increased price competitiveness in response to movements in exchange rates may have a material impact on the operational and financial performance and cashflows of Transpacific, particularly in relation to its Commercial Vehicles division. Transpacific is also exposed to exchange rate translation risk in relation to its NZ$-denominated earnings and investments.	Section 6.3.5
Environmental	Transpacific's operations are subject to extensive Federal, State and local environmental laws and regulations. Significant liability could be imposed on Transpacific for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage (including damage caused by previous owners of property acquired by Transpacific) or non-compliance with environmental laws or regulations, impacting its reputation, financial performance and cashflows. It is currently too early to provide a meaningful comment on the impact of a carbon pollution reduction scheme on the Company, except to say that depending on the terms of the legislation and regulations to be introduced, the impacts may be substantial.	Section 6.3.6
Climatic conditions	Climatic conditions, particularly drought, flood and fire may affect demand for the services provided by Transpacific and may also impact the affordability of these services to key customer sectors such as the agriculture and horticulture industries.	Section 6.3.7
Major customers and dealers	Any adverse change in the existing relationships with Transpacific's major customers and dealers could have a material impact on its ability to achieve financial forecasts.	Section 6.3.8
Loss of key personnel	Transpacific's operations are dependent upon the continued performance, efforts, abilities and expertise of its key management personnel. The loss of services of such personnel could have a material adverse operational and financial impact on Transpacific.	Section 6.3.9
Western Star Trucks and MAN relationship	If the agreements under which Transpacific derives its right to import, promote and sell Western Star and MAN products cease or are terminated, this could have a material effect on Transpacific's financial performance and cashflows.	Section 6.3.10
Operational risk	In the performance of its business, Transpacific will be exposed to a range of operational risks related to both current and future operations. One or more of these risks may have a material adverse impact on the ability of Transpacific to achieve its financial forecasts and on Transpacific's financial performance, financial position and cashflows.	Section 6.3.11
Occupational health and safety risk and industrial incidents	Transpacific's operations involve risk to both property and personnel. An industrial incident may occur that results in serious injury or death, damage to property or contamination of the environment, which may have an adverse effect on Transpacific's reputation and future financial performance and position.	Section 6.3.12
Industrial disputes	Transpacific is exposed to the risk of industrial disputes arising from claims for higher wages or better conditions which could disrupt parts of Transpacific's business and have a material adverse impact on Transpacific's operating and financial performance and cashflows.	Section 6.3.13
Outsourcing risk	The level of activity undertaken by some of Transpacific's divisions depends to a large extent on the continuation of the current trend towards the outsourcing of non-core functions by potential clients. If this trend does not continue or reverses, it may impact Transpacific's prospects for growth.	Section 6.3.14

Operational and financial risks (continued)

Risk area	Summary of risk	More information
Regulatory risk	**Changes to industrial relations laws** – Changes to industrial relations laws and the employment landscape in Australia could impact upon the terms and conditions of employment of Transpacific's employees and statutory compliance by Transpacific, and may have a material impact on costs, cashflows and financial performance of the Group. **Changes to other laws** – Material changes to State and Federal laws that impact on Transpacific's businesses may have a material impact on the costs, cashflows and financial performance of the Group.	Section 6.3.15
Technology risk	There is a risk that certain aspects of projects undertaken by Transpacific could be compromised by technological failures or difficulties. This may have a material adverse impact on costs, cashflows and the financial performance of Transpacific.	Section 6.3.16
Financing risk	Through its net borrowing requirements, Transpacific is potentially exposed to adverse interest rate movements that may increase the financial risk inherent in its business, and issues relating to the availability of credit. Transpacific does have some interest rate hedging which reduces this risk. Further, maintenance of existing debt terms are dependent upon compliance with agreed covenants which may be affected by financial performance, impairments and mark-to-market adjustments.	Section 6.3.17
Counterparty contractual risk	As in any contractual relationship, the exercise of Transpacific's rights thereunder are dependent upon Transpacific's ability to comply with its obligations, and the relevant counterparty complying with its contractual obligations.	Section 6.3.18
Insurance risk	The availability of insurance at an appropriate price and on appropriate terms is important to Transpacific's operations and is not guaranteed. The occurrence of an event that is not fully covered, or covered at all, by insurance may have an adverse effect on Transpacific's future financial performance and position.	Section 6.3.19
Legal claims	Transpacific is exposed to potential legal and other claims or disputes in the course of its business, including contractual disputes, property damage and personal liability claims and various State and Federal governmental and regulatory enquiries and investigations, with respect to its operations.	Section 6.3.20
Acquisition risk	To the extent that Transpacific continues to grow through acquisition, it will face operational and financing risks commonly encountered with such a strategy.	Section 6.3.21
Risks relating to joint ventures	There is a risk of disputes with Transpacific's joint venture parties and a risk that, notwithstanding appropriate safeguards, joint venture parties may experience financial or other difficulties with consequential adverse effects for the relevant project or asset.	Section 6.3.22
Product and services liability	There is a risk that Transpacific may fail to fulfil its statutory and contractual obligations in relation to the quality of its products and services, which could give rise to contractual or statutory penalties.	Section 6.3.23
Non-compliance with policies, laws and regulatory provisions	There is a risk that, due to the size of Transpacific, there may be instances of non-compliance with its internal policies, laws and other regulatory provisions. Non-compliance with Transpacific policies, laws and other regulatory provisions may have an adverse impact on the business, reputation or financial position of Transpacific and its ability to retain major contracts across its businesses.	Section 6.3.24
Mark-to-market risk	There is a risk that the current carrying value of hedge contracts, listed investments and the Warrants may need to be written down due to periodic mark-to-market adjustments required by relevant accounting standards. This may have a material adverse impact on Transpacific's financial position and performance.	Section 6.3.25
Goodwill impairment risk	There is a risk that the current carrying value of past acquisitions in the accounts of Transpacific may need to be written down if required by relevant accounting standards in light of current valuations. This may have a material adverse impact on Transpacific's reported financial performance.	Section 6.3.26

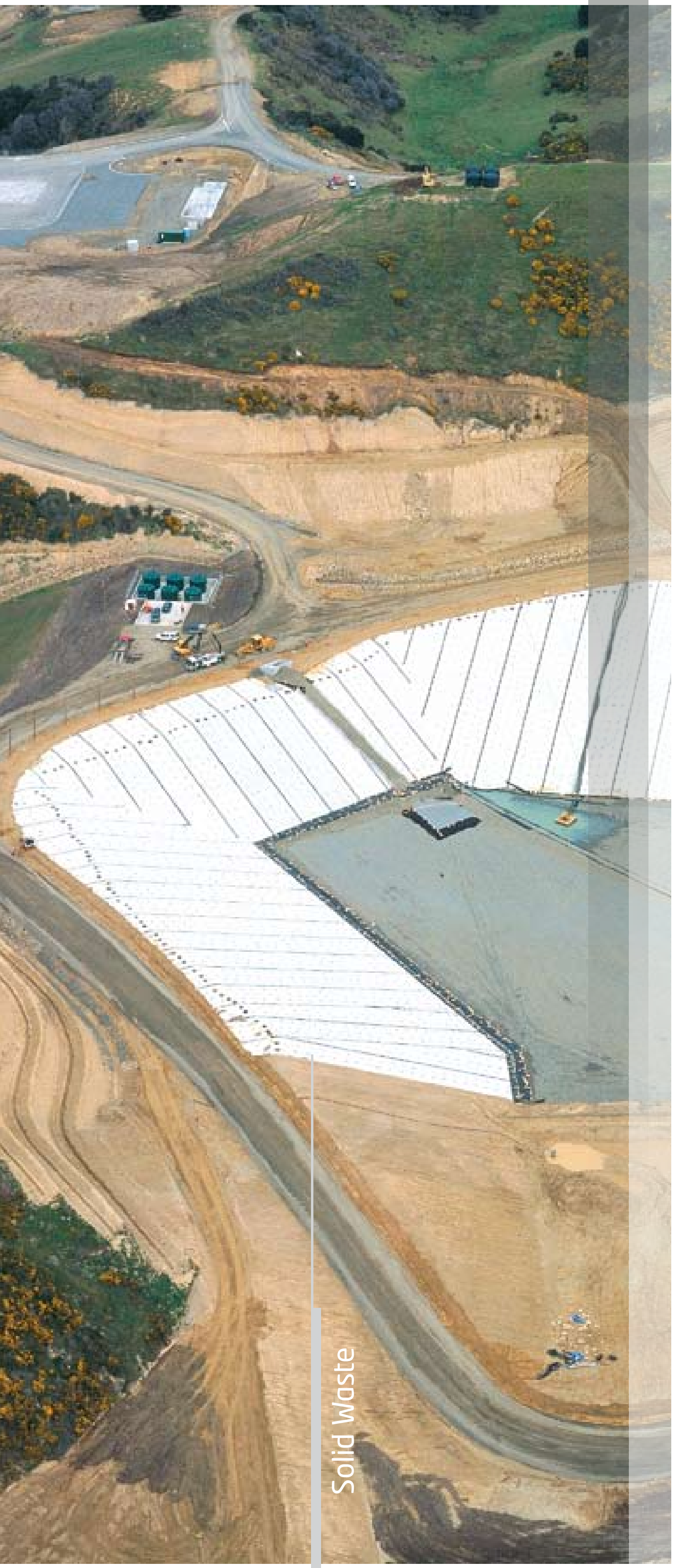
Summary of key risks (continued)

Operational and financial risks (continued)

Risk area	Summary of risk	More information
Credit risk	The inability of Transpacific's customers to repay credit provided by Transpacific may have a material adverse impact on Transpacific's financial performance.	Section 6.3.27
Tax risk	Any change to the current rate of company income tax in jurisdictions where Transpacific operates or changes to cross-border transaction structures may impact on Transpacific's financial performance and cashflows, ability to pay dividends and the Share price. The tax treatment of Transpacific's securities or other instruments or any investigations or audits carried out by tax authorities may also have an impact on Transpacific's financial performance and cashflows.	Section 6.3.28
Capital expenditure risk	If the level of capital expenditure required to maintain or improve assets is higher or is needed sooner than anticipated or if capital expenditure required to generate forecast earnings is not undertaken or if there is a significant operational failure requiring unplanned capital expenditure, the financial performance of Transpacific may be adversely affected.	Section 6.3.29
Future land sales	There is no certainty that earnings from future land sales will be realised or continue at the same level. The carrying values of land assets in Transpacific's accounts are subject to fluctuation and depend on property market conditions. This may have a positive or negative effect on Transpacific's financial performance, and goodwill impairment.	Section 6.3.30

General risks

Risk area	Summary of risk	More information
Share market fluctuations	As a result of the fluctuation of the trading price of Transpacific Shares, there is no guarantee that the New Shares will trade at or above the Entitlement Offer Price.	Section 6.4.1
Liquidity and realisation	There may be relatively few, or many potential buyers or sellers of Shares on ASX at any time, including short sellers. This may affect or cause volatility in the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This effect will be more pronounced in circumstances where the Cornerstone Investor acquires up to the maximum of the Shares that it may acquire through the Initial Placement, its Entitlement, and its sub-underwriting of the Entitlement Offer. Details of the potential effect of the Equity Raising on the voting power of the Cornerstone Investor in the Company is set out in Sections 2.6 and 9.6.3.	Section 6.4.2
Changes in economic, legal and regulatory environment	Transpacific's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates, commodity prices and government fiscal, monetary and regulatory policies. Changes to laws and regulations or accounting standards, which apply to Transpacific from time to time, could also have a material impact on the operating and financial performance and the cashflows of Transpacific.	Section 6.4.3
Global economic downturn	At present, the global economy is experiencing a range of adverse effects and any further deterioration in economic conditions may decrease the demand for Transpacific's services and products in each of its key markets and may result in an adverse effect on Transpacific's future financial performance and position, earnings and cashflows.	Section 6.4.4
Other risks	The above risks are not exhaustive of the risks faced by prospective investors. Accordingly, no assurances or guarantees of future performance, profitability, distributions or return of capital are given by Transpacific.	Section 6.4.5



Section 1
Questions and answers

Questions and answers

1.1 The Equity Raising

Question	Answer	More information
What is the Equity Raising?	Transpacific intends to raise approximately $801.1 million under the Equity Raising which comprises: • the Initial Placement to the Cornerstone Investor; and • the Entitlement Offer.	Section 2.1
What is the Entitlement Offer?	The Entitlement Offer is a fully underwritten accelerated renounceable entitlement offer made to Eligible Institutional Shareholders and Eligible Retail Shareholders. The Entitlement Offer comprises four parts which are conducted one after the other: • the Institutional Entitlement Offer which includes the US Private Placement (already conducted); • the Institutional Entitlement Bookbuild which includes the US Private Placement (already conducted); • the Retail Entitlement Offer; and • the Retail Entitlement Bookbuild.	Sections 2.1 and 2.2
What is the Entitlement Offer Price?	The Entitlement Offer Price is $1.20 per New Share. This represents: • a discount of 33% to $1.80, the last closing price of Transpacific Shares on ASX on 16 February 2009; and • a discount of 33% to the Initial Placement Price of $1.80.	Section 2.2
How much is required to be raised from the Equity Raising?	Transpacific is seeking to raise gross proceeds of approximately $801.1 million from the Equity Raising, with approximately $64.5 million of that amount to be raised from the Initial Placement. The Institutional Entitlement Offer and the Institutional Entitlement Bookbuild (both already conducted) will raise approximately $561.0 million. Transpacific seeks to raise approximately $175.6 million from the Retail Entitlement Offer and Retail Entitlement Bookbuild.	Key dates and key statistics (page 4)
What is the purpose of the Equity Raising?	The proceeds from the Equity Raising will enable Transpacific to repay at least $704 million of its existing $2,095 million Syndicated Facility established in December 2007, with the balance of the facility to be refinanced by amending and restating it as a $1,435 million facility provided by the majority of Transpacific's existing lenders. The Amended Facility Agreement will have maturities of four to five years, extending Transpacific's next syndicated debt refinancing obligation to July 2013. The Recapitalisation of Transpacific effected by the part repayment and refinancing of the Syndicated Facility is expected to be completed on the Institutional Settlement Date, 5 August 2009, prior to settlement of the Retail Entitlement Offer. The balance of proceeds from the Equity Raising will be used to close out interest rate swap contracts with a face value of approximately $500 million at a cost of approximately $40 million and pay the costs of the Equity Raising, Secondary Placement and debt refinancing. The financial effect of the Equity Raising on Transpacific is shown in the pro-forma historical Consolidated Balance Sheet and pro-forma Consolidated Income Statement contained in Sections 5.7 and 5.4.	Sections 2.3 and 2.4.1

Question	Answer	More information
Is the Entitlement Offer underwritten?	Yes. The Entitlement Offer is fully underwritten by the Joint Lead Managers (Deutsche Bank AG, Sydney Branch and Macquarie Capital Advisers Limited). The Institutional Entitlement Offer is sub-underwritten up to approximately 150.0 million New Shares by the Cornerstone Investor and the Retail Entitlement Offer is fully sub-underwritten by the Cornerstone Investor. The potential effect of the Equity Raising on the ownership of Transpacific is set out in Sections 2.6 and 9.6.3. Neither the Initial Placement nor the Secondary Placement are underwritten. The Underwriting Agreement, Sub-Underwriting Agreement and Escrow Agent Agreement are discussed in Sections 9.5, 9.6.2 and 9.8.	Section 2.8

1.2 The Cornerstone Investor

Question	Answer	More information
Who is the Cornerstone Investor?	The Cornerstone Investor is an affiliate of Warburg Pincus, a leading global private equity firm. Warburg Pincus invests in a range of sectors and has an active portfolio of more than 100 companies diversified by stage, sector and geography. The firm has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo. The Cornerstone Investor will have the right to appoint one additional Director to the Company's Board after the close of the Retail Entitlement Offer and will also be entitled to participate in the identification and appointment of an additional two independent Non-Executive Directors. This and other matters relating to the governance of Transpacific are provided for in the Process Deed as described in Section 9.6.1.	Sections 2.6 and 9.6.1
How is the Cornerstone Investor investing in Transpacific?	The Cornerstone Investor has committed to invest up to approximately $496.0 million in equity capital in Transpacific as part of the Recapitalisation by: • subscribing for approximately 35.8 million Initial Placement Shares on the conversion of the Equity Security; • subscribing for its pro-rata Entitlement in respect of the Initial Placement Shares; • sub-underwriting up to approximately 150.0 million New Shares under the Institutional Entitlement Offer; • sub-underwriting the entire Retail Entitlement Offer; and • subscribing for up to approximately 92.1 million Secondary Placement Shares (if applicable). The Cornerstone Investor will also receive approximately 71.6 million Warrants.	Sections 2.1, 2.6, 2.7, 2.8, 2.9 and 2.10

Questions and answers (continued)

Question	Answer	More information
Will the Cornerstone Investor be eligible to participate in the Entitlement Offer?	Yes. The Cornerstone Investor has been issued the Equity Security, which confers the right to participate in the Entitlement Offer as though the Cornerstone Investor was already the holder of the Initial Placement Shares on the Record Date. The Cornerstone Investor has confirmed to Transpacific and the Joint Lead Managers that, subject to satisfaction or waiver of certain conditions, it will take up its full Entitlement under the Institutional Entitlement Offer. The Cornerstone Investor has also committed to sub-underwrite, pursuant to the Sub-Underwriting Agreement with the Joint Lead Managers and subject to satisfaction or waiver of certain conditions: • up to approximately 150.0 million New Shares under the Institutional Entitlement Offer; and • the full Retail Entitlement Offer of approximately 146.4 million New Shares. Details of the Subscription Agreement and Sub-Underwriting Agreement are set out in Sections 9.6.1 and 9.6.2. Some risk factors related to the Cornerstone Investor's participation are set out in Sections 6.2.1 and 6.2.2.	Sections 2.6, 2.7 and 2.8
What is the Equity Security?	The Equity Security is an unsecured convertible note that has been issued to the Cornerstone Investor for a subscription price of $1.00. Subject to certain conditions under the Subscription Agreement, the Equity Security will convert into 35,818,663 Initial Placement Shares upon payment of $1.80 per Initial Placement Share by the Cornerstone Investor on the Institutional Settlement Date. The Equity Security also confers on the Cornerstone Investor the right to participate in the Entitlement Offer as though the Cornerstone Investor had already been issued the Initial Placement Shares pursuant to the Initial Placement on the Record Date for the Entitlement Offer.	Section 2.7
What is the Initial Placement?	The Initial Placement is the issue of 35,818,663 Initial Placement Shares to the Cornerstone Investor at $1.80 per Initial Placement Share that will occur on conversion of the Equity Security.	Section 2.7
What is the Secondary Placement?	Under the terms of the Subscription Agreement, the Cornerstone Investor may, at the close of the Entitlement Offer, subscribe for up to an additional 92,075,344 Secondary Placement Shares at the Entitlement Offer Price, with the number of Secondary Placement Shares it may subscribe for being reduced by the number of New Shares the Cornerstone Investor obtains under its sub-underwriting of the Entitlement Offer. The Secondary Placement could raise an amount of up to approximately $110.5 million in addition to the gross proceeds of approximately $801.1 million intended to be raised under the Equity Raising.	Sections 2.6 and 2.9
What are the Warrants?	Pursuant to the terms of the Subscription Agreement, on the Institutional Settlement Date, the Cornerstone Investor will be granted 71,637,326 equity warrants (the "Warrants") with the potential to be exercisable for 71,637,326 Shares. Subject to the terms of the Equity Warrant Deed, the Warrants will become exercisable in three tranches from the first anniversary of the Institutional Settlement Date, 1 July 2011 and 1 July 2012 and will expire on 30 June 2014. Details of the Equity Warrant Deed are set out in Sections 2.10 and 9.6.4.	Sections 2.10 and 9.6.4

Question	Answer	More information
What will the Cornerstone Investor's ownership of Transpacific be following completion of the Equity Raising and Secondary Placement?	Immediately after completion of the Equity Raising, the Cornerstone Investor may own up to 41.3% of Transpacific's issued Shares, depending on the extent to which the Cornerstone Investor is required to satisfy its commitment under the Sub-Underwriting Agreement with the Joint Lead Managers. If the Cornerstone Investor subscribes for Secondary Placement Shares under the Secondary Placement, the Cornerstone Investor may own a minimum of approximately 18.3% of Transpacific's issued Shares immediately after completion of the Equity Raising and Secondary Placement. The extent to which the Warrants are settled by the issue or transfer of Shares in the future will also affect the Cornerstone Investor's proportionate ownership of Transpacific.	Sections 2.6 and 9.6.3

1.3 Participation in the Retail Entitlement Offer

Question	Answer	More information
Who is an Eligible Retail Shareholder?	An Eligible Retail Shareholder is a person who is registered as the holder of Existing Shares at the Record Date, and who: • has a registered address in Australia; • is not in the United States or a US Person and is not acting for the account or benefit of a US Person; and • is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder. If you have acquired Shares in a Post Ex-Date Transaction, those Shares will be disregarded in determining your Entitlement as described in Section 9.15.	Sections 2.12.1 and 9.15
What is my Entitlement under the Entitlement Offer?	Each Eligible Retail Shareholder is entitled to subscribe for 1.77 New Shares for every 1 Existing Share held on the Record Date, subject to the terms of this Prospectus. If you are an Eligible Retail Shareholder, your Entitlement is set out in the personalised Entitlement and Acceptance Form which accompanies this Prospectus. If you did not receive your personalised Entitlement and Acceptance Form, you should call the Transpacific Shareholder Information Line on 1300 751 842 (local call cost within Australia) or on +61 3 9415 4204 (outside Australia) at any time from 8.30am to 5.00pm (Brisbane time) Monday to Friday during the Entitlement Offer Period to find out your Entitlement and, if you are eligible, request your personalised Entitlement and Acceptance Form.	Entitlement and Acceptance Form
What can I do with my Entitlement?	If you are an Eligible Retail Shareholder, you may either: • take up your full Entitlement under the Retail Entitlement Offer; • partially take up your Entitlement; or • take no action. If you do not take up all or part of your Entitlement, depending on the outcome of the Retail Entitlement Bookbuild, you may be paid some cash in respect of your Entitlement not taken up or you may receive nothing. If you do not take up all of your Entitlement, your percentage shareholding in Transpacific will be diluted (i.e. it will be reduced).	Sections 3.1 and 3.2.2

Questions and answers (continued)

Question	Answer	More information
What are the key dates of the Retail Entitlement Offer?	The Retail Entitlement Offer closes at 5.00pm (Brisbane time) on 17 August 2009. The key dates, including the date by which you must return your personalised Entitlement and Acceptance Form (together with the Application Monies) or pay by BPAY if you wish to take up your Entitlement, are set out on page 4. These dates are subject to change without notice as described on page 4.	Key dates and key statistics (page 4)
How do I accept the Retail Entitlement Offer?	If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement under the Retail Entitlement Offer, you must either: • complete and return to the Share Registry the personalised Entitlement and Acceptance Form included with this Prospectus in accordance with the instructions on that form along with a cheque, bank draft or money order for the full Application Monies in respect of the New Shares for which you wish to subscribe (which cannot be more than your Entitlement); or • pay the full Application Monies via BPAY in respect of the New Shares for which you wish to subscribe (which cannot be more than your Entitlement), following the instructions on your personalised Entitlement and Acceptance Form (in which case you do not need to complete and return your Entitlement and Acceptance Form). You must either: • complete and return your Entitlement and Acceptance Form and Application Monies; or • complete the BPAY payment process, so that your Application Monies are received by the Share Registry by no later than 5.00pm (Brisbane time) on 17 August 2009 (subject to variation). You should check the processing cut-off time for BPAY transactions with your financial institution.	Section 3.2
Can I trade my Entitlement?	No. Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred.	Section 2.17
Can I apply for additional New Shares above my Entitlement?	No. The number of New Shares offered to Eligible Retail Shareholders under the Retail Entitlement Offer is on a pro-rata basis in respect of Existing Shares held.	N/A
What are the rights and liabilities attaching to New Shares under the Entitlement Offer?	New Shares offered under the Entitlement Offer will be fully paid and will rank equally with Existing Shares.	Section 9.9
What are the key risks associated with an investment in New Shares?	A summary of some of the key risks associated with an investment in New Shares is described in Section 6. Before making any investment decision you should read the entire Prospectus and carefully consider these risk factors.	Section 6
Who is the Share Registry?	The Share Registry is: Computershare Investor Services Pty Limited GPO Box 5240 Brisbane QLD 4001.	Corporate directory

Question	Answer	More information
What happens if I am a Shareholder on the Record Date but not an Eligible Retail Shareholder?	You will not be entitled to subscribe for New Shares under the Retail Entitlement Offer. However, New Shares equal in number to the New Shares that would have been offered to you if you had been entitled to participate in the Retail Entitlement Offer will be offered to certain Institutional Investors under the Retail Entitlement Bookbuild. If the Clearing Price under the Retail Entitlement Bookbuild is greater than the Entitlement Offer Price, you will receive a cash amount equal to the difference. As a result of not participating in the Entitlement Offer, your percentage shareholding in Transpacific will be diluted (i.e. it will be reduced).	Sections 2.12 and 2.14
What is my Entitlement if I become a Shareholder after the Record Date?	You have no Entitlement if you become a Shareholder after the Record Date.	Section 2.12.1
What happens if I do nothing, or accept only part of my Entitlement?	If you do not take up all or part of your Entitlement by 5.00pm (Brisbane time) on 17 August 2009, a number of New Shares equal to the number of New Shares not taken up under your Entitlement will be offered to certain Institutional Investors in the Retail Entitlement Bookbuild. If the amount paid per New Share under the Retail Entitlement Bookbuild (i.e. the Clearing Price) is greater than the Entitlement Offer Price, you will be paid a cash amount equal to the difference. If the Clearing Price under the Retail Entitlement Bookbuild is equal to the Entitlement Offer Price, you will be paid nothing. The Clearing Price per New Share under the Institutional Entitlement Bookbuild is set out in the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009. There can be no guarantee that the price at which the New Shares are acquired by participants in the Retail Entitlement Bookbuild will be higher than the Entitlement Offer Price or that the Clearing Price under the Institutional Entitlement Bookbuild will be matched in the Retail Entitlement Bookbuild (or vice versa). If you do not take up your Entitlement, or take up less than your full Entitlement, your percentage shareholding in Transpacific following completion of the Entitlement Offer will be diluted (i.e. it will be reduced).	Sections 2.12.1 and 3.2.2
Will the Executive Chairman of Transpacific participate in the Equity Raising?	The Peabody Family has committed to subscribe for $70 million of New Shares under the Institutional Entitlement Offer, representing approximately 28% of their Entitlements. The Peabody Family did not participate in the Institutional Entitlement Bookbuild.	Section 2.1
What will the Peabody Family's interest in Transpacific be following the Equity Raising?	The Peabody Family will own approximately 177.4 million Shares or 18.5% of Shares on issue following the Equity Raising before the issue of any Shares under the Secondary Placement and/or pursuant to the Warrants. The Peabody Family will own approximately 16.9% of Shares on issue if the maximum number of Secondary Placement Shares is issued under the Secondary Placement.	Section 9.12
What is the financial effect of the Entitlement Offer on Transpacific?	The financial effect of the Entitlement Offer on Transpacific is shown in the unaudited historical pro-forma Consolidated Balance Sheet, pro-forma Consolidated Income Statement and the other Financial Information contained in Section 5.	Section 5

Questions and answers (continued)

1.4 Other information

Question	Answer	More information
What are the taxation implications for the Entitlement Offer?	A summary of the general tax implications for Australian resident Eligible Retail Shareholders is set out in Section 8. The discussion is in general terms and is not intended to provide specific advice in relation to circumstances of any particular Shareholder. Eligible Retail Shareholders should seek their own tax advice before deciding how to deal with their Entitlements.	Section 8
What are the fees and costs of the Equity Raising and debt refinancing?	Fees and costs associated with the Equity Raising, Secondary Placement and debt refinancing total approximately $57 million and will be paid out of the proceeds of the Equity Raising.	Section 9.14
What will the Company's dividend policy be following the Equity Raising and recapitalisation?	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 and Transpacific's syndicate banks and USPP noteholders. 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. Further detail regarding future dividends is outlined in Sections 5.10 and 9.9.2.	Sections 5.10 and 9.9.2
How can further information be obtained?	If you would like further information you can: • contact your stockbroker, accountant or other professional adviser; or • call the Transpacific Shareholder Information Line on 1300 751 842 (local call cost within Australia) or on +61 3 9415 4204 (from outside Australia) at any time from 8.30am to 5.00pm (Brisbane time) Monday to Friday during the Entitlement Offer Period.	Section 3.4

Section 2

Details of the Equity Raising

Details of the Equity Raising

2.1 Overview of the Equity Raising

Transpacific intends to raise approximately $801.1 million under the Equity Raising, which is comprised of:

- the Initial Placement to the Cornerstone Investor to raise approximately $64.5 million; and
- the Entitlement Offer to raise approximately $736.6 million.

The Entitlement Offer comprises four parts which are conducted one after the other:

- the Institutional Entitlement Offer which includes the US Private Placement (already conducted);
- the Institutional Entitlement Bookbuild which includes the US Private Placement (already conducted);
- the Retail Entitlement Offer; and
- the Retail Entitlement Bookbuild.

The Entitlement Offer has been fully underwritten by the Joint Lead Managers pursuant to the Underwriting Agreement. See Section 9.5 for further details.

The Cornerstone Investor has entered into the Subscription Agreement pursuant to which it has been issued the Equity Security. Subject to certain conditions under the Subscription Agreement, as described in Section 9.6.1 the Cornerstone Investor will:

- subscribe for 35,818,663 Initial Placement Shares at $1.80 per Initial Placement Share on conversion of the Equity Security, representing the Initial Placement;
- be granted 71,637,326 Warrants with the potential to be exercised for 71,637,326 Shares; and
- have the option to subscribe for up to 92,075,344 Secondary Placement Shares under the Secondary Placement, less New Shares it obtains under its sub-underwriting of the Entitlement Offer.

The Cornerstone Investor has also committed to subscribe for its full Entitlement under the Institutional Entitlement Offer.

The Cornerstone Investor has agreed under the Sub-Underwriting Agreement to sub-underwrite subject to conditions:

- up to approximately 150.0 million New Shares of any shortfall under the Institutional Entitlement Offer; and
- the full amount of the Retail Entitlement Offer of approximately 146.4 million New Shares.

The Cornerstone Investor may own up to approximately 41.3% of Shares on issue at the completion of the Recapitalisation. See Section 2.6 for further details.

The Cornerstone Investor's commitments to subscribe are subject to certain conditions that must be satisfied or waived on or before the Institutional Settlement Date. Transpacific will announce the status of those conditions on the trading day following the Institutional Settlement Date. See Section 9.6.1 for details of the applicable conditions and the risk factors set out in Sections 6.2.1 and 6.2.2.

The Peabody Family has committed to subscribe for $70 million in New Shares of its Entitlement under the Institutional Entitlement Offer, representing approximately 28% of their Entitlements. The Peabody Family did not participate in the Institutional Entitlement Bookbuild.

The Equity Raising is designed to enable the refinancing of Transpacific's debt obligations on the Institutional Settlement Date, 5 August 2009, prior to settlement of the Retail Entitlement Offer. In particular, the Equity Raising has been structured so that the total proceeds from the Equity Raising are received by Transpacific on the Institutional Settlement Date, subject to the conditions relating to the Cornerstone Investor's subscriptions under the Subscription Agreement and the underwriting and sub-underwriting arrangements for the Retail Entitlement Offer provided for in the Escrow Agent Agreement, Underwriting Agreement and Sub-Underwriting Agreement.

In order to achieve this result, ASIC Modifications and waivers from ASX have been obtained so that on the Institutional Settlement Date all of the New Shares relevant to the Retail Entitlement Offer will be issued by Transpacific to the Securities Escrow Agent. These New Shares will be held in escrow with the Securities Escrow Agent until allotment under the Retail Entitlement Offer and Retail Entitlement Bookbuild. For the escrow period, the Securities Escrow Agent will maintain legal ownership of the escrowed New Shares and the Cornerstone Investor will maintain the beneficial interest. On completion of the Retail Entitlement Offer and Retail Entitlement Bookbuild, Eligible Retail Shareholders that have lodged valid Applications will be transferred their New Shares from the Securities Escrow Agent. All Application Monies will be held on trust by the Cash Escrow Agent in accordance with the Escrow Agent Agreement and the ASIC Modifications.

For further information about the underwriting and sub-underwriting arrangements and the Cornerstone Investor's pre-settlement of all of the Retail Entitlement Offer, see Section 2.11 and the summary of the Escrow Agent Agreement in Section 9.8, as well as the details of the Underwriting Agreement and Sub-Underwriting Agreement in Sections 9.5 and 9.6.2. See Section 9.15 for further details on ASX waivers and ASIC Modifications.

Further details on the Cornerstone Investor and Warburg Pincus are provided below in Section 2.6.

2.2 Overview of the Entitlement Offer

Transpacific is offering Eligible Shareholders the opportunity to subscribe for 1.77 New Shares for every 1 Existing Share held on the Record Date. The Entitlement Offer Price per New Share is $1.20.

The Entitlement Offer is intended to raise approximately $736.6 million.

The Entitlement Offer comprises four parts, which are set out below, with parts 1 and 2 already conducted:

1. **the Institutional Entitlement Offer** – Eligible Institutional Shareholders were invited to take up all or part of their Entitlement (see Section 2.13 for further details).
2. **the Institutional Entitlement Bookbuild** – New Shares equivalent to the number of New Shares not taken up by Eligible Institutional Shareholders, together with any New Shares that would have been offered to Ineligible Institutional Shareholders had they been Eligible Institutional Shareholders, were offered under a bookbuild to certain Institutional Investors.
3. **the Retail Entitlement Offer** – Eligible Retail Shareholders are being sent this Prospectus together with a personalised Entitlement and Acceptance Form and are required to decide whether or not they will take up their Entitlement, in full or in part (see Section 3.2 for further details).
4. **the Retail Entitlement Bookbuild** – New Shares equivalent to the number of New Shares not taken up by Eligible Retail Shareholders, together with any New Shares that would have been offered to Ineligible Retail Shareholders had they been entitled to participate in the Retail Entitlement Offer, are being offered under a bookbuild to certain Institutional Investors, which may include Eligible Institutional Shareholders, whether or not they took up their full Entitlement under the Institutional Entitlement Offer.

2.3 Purpose of the Equity Raising

The net proceeds of the Equity Raising will be used to pay down at least $704 million of Transpacific's existing $2,095 million Syndicated Facility (established in December 2007), with the balance of this facility to be amended and restated as a $1,435 million facility provided by the majority of Transpacific's existing lenders on the terms of the Amended Facility Agreement. After the paydown of debt, Transpacific's pro-forma gearing (net debt/(net debt + equity)) is expected to be approximately 43% (assuming no Secondary Placement is conducted) compared to Transpacific's gearing of 60% as at 31 December 2008. These figures include the after-tax impact of expected significant items at 30 June 2009. See Section 5.7 and pro-forma Consolidated Balance Sheet for further details.

The balance of the proceeds of the Equity Raising will be used to terminate interest rate swap contracts with a face value of approximately $500 million at a cost of approximately $40 million and pay for the costs of the Equity Raising, Secondary Placement and debt refinancing.

Details of the Equity Raising (continued)

2.4 Sources and uses of funds

Sources of funds	$ million (approximately)
• Initial Placement	64.5
• Institutional Entitlement Offer and Institutional Entitlement Bookbuild	561.0
• Retail Entitlement Offer and Retail Entitlement Bookbuild	175.6
Total sources of funds	801.1

Uses of funds	$ million (approximately)
• Senior debt repayment	704.0
• Approximate cost to close out interest rate swap contracts	40.0
• Costs of Equity Raising, Secondary Placement and debt refinancing	57.1
Total uses of funds	801.1

The Cornerstone Investor may also subscribe for additional Shares under the Secondary Placement. If available and taken up in full by the Cornerstone Investor, the Secondary Placement could raise an additional amount of up to approximately $110.5 million. Any proceeds of the Secondary Placement will be used to repay additional senior debt under the Amended Facility Agreement.

The Cornerstone Investor will also be issued with approximately 71.6 million Warrants in three tranches that will be exercisable from the first anniversary of the Institutional Settlement Date, 1 July 2011 and 1 July 2012 respectively until 30 June 2014.

2.4.1 Detail of the debt restructure

Implementation of the Recapitalisation of Transpacific involves the repayment of at least $704 million of its existing $2,095 million Syndicated Facility from the proceeds of the Equity Raising and refinancing by extending the term of the balance of the facility into new four and five year tranches.

Transpacific has entered into amendment and waiver agreements with respect to the Syndicated Facility and USPP which provide for the paydown, long-term extension, amendment and waiver of all identified past breaches of the Syndicated Facility and USPP. See Sections 9.7.1 and 9.7.2 for further details.

In addition to documenting the waiver of previous breaches, agreed amendments to Transpacific's Syndicated Facility include introducing criteria that must be satisfied in order for Transpacific to make acquisitions, pay dividends and redeem capital over a specified threshold. See Sections 9.7.1 and 9.7.2 for further details.

Further information on the debt refinancing is available in Section 5.

2.5 Issued capital

The effect of the Equity Raising, Secondary Placement and the Warrants on the issued capital of Transpacific is set out in the table below:

	Number of Shares (approximately)
Before the Equity Raising	311.0 million
Initial Placement	35.8 million
Institutional Entitlement Offer and Institutional Entitlement Bookbuild	467.5 million
Retail Entitlement Offer and Retail Entitlement Bookbuild	146.4 million
Total (post completion of the Equity Raising)	**960.6 million**
Secondary Placement (if applicable)	up to 92.1 million[1]
Total (post completion of the Equity Raising and Secondary Placement)	**up to 1,052.7 million[1,2]**
Warrants	71.6 million[3]

1. The maximum number of Secondary Placement Shares is reduced by the number of New Shares that the Cornerstone Investor obtains under its sub-underwriting of the Entitlement Offer. See Section 2.9.
2. Transpacific also has convertible notes and 8,878,336 options on issue. See Section 9.7.3 for further information regarding the convertible notes.
3. The Warrants may only be settled by the issue of Shares if Shareholder approval is obtained. See Sections 2.10 and 9.6.4 for more details.

2.6 The Cornerstone Investor

The Cornerstone Investor is an affiliate of Warburg Pincus, a leading global private equity firm. Warburg Pincus invests in a range of sectors and has an active portfolio of more than 100 companies diversified by stage, sector and geography. The firm has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo.

Under the Equity Raising, the Cornerstone Investor has committed to invest up to $496 million in equity capital in Transpacific. The Cornerstone Investor will have a representative on the Board going forward and will be entitled to have input on various matters relating to the governance of Transpacific as provided for in the Process Deed. The Cornerstone Investor has advised Transpacific that at this stage it does not have any other specific intentions relating to the governance of Transpacific. See Section 9.6.1.

The Cornerstone Investor's investment in Transpacific through the Initial Placement, the Entitlement Offer and its sub-underwriting of the Entitlement Offer is subject to a number of conditions that must be satisfied or waived on or before the Institutional Settlement Date. The applicable conditions are set out in detail in Section 9.6 of this Prospectus. Transpacific will announce the status of those conditions on the trading day following the Institutional Settlement Date.

Details of the Equity Raising (continued)

The table below details the minimum and maximum shareholding of the Cornerstone Investor following the Equity Raising and Secondary Placement (if applicable) based on different levels of take-up by Eligible Institutional Shareholders and Eligible Retail Shareholders.

	Cornerstone Investor shareholding post Equity Raising and Secondary Placement (approximately)	
	Minimum	Maximum
Initial Placement	35.8 million	35.8 million
New Shares through participation in Institutional Entitlement Offer	63.4 million	63.4 million
New Shares through sub-underwriting of the Institutional Entitlement Offer	–	150.0 million[1,3]
New Shares through sub-underwriting of Retail Entitlement Offer	–	146.4 million
Total Shares acquired under the Equity Raising	99.2 million	395.6 million
Percentage of total issued capital post Equity Raising	10.5%[4,5]	41.3%[4,5]
Secondary Placement (if applicable)	92.1 million[2,3]	–[2,3]
Total Shares acquired under the Secondary Placement and Equity Raising	191.3 million	395.6 million
Percentage of total issued capital post Secondary Placement	18.3%[3,4,5]	41.3%[3,4,5]

1. Maximum sub-underwriting commitment of the Cornerstone Investor in respect of the Institutional Entitlement Offer.
2. Assuming Secondary Placement taken up in full by the Cornerstone Investor. The maximum number of Secondary Placement Shares is reduced by the number of New Shares that the Cornerstone Investor obtains under its sub-underwriting of the Entitlement Offer.
3. For the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, see the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009.
4. Includes Shares the Cornerstone Investor has agreed to acquire from certain Transpacific executives as described in Section 9.12.2.
5. The Cornerstone Investor is also proposed to be granted Warrants which are equity warrants with the potential to be exercisable over approximately 71.6 million Shares, in three tranches from the first anniversary of the Institutional Settlement Date, 1 July 2011 and 1 July 2012. See Sections 2.10 and 9.6.4.

As part of its significant investment, the Cornerstone Investor and Transpacific have agreed under the Process Deed that, subject to certain conditions:

- the Cornerstone Investor will retain its shareholding obtained under the Initial Placement its Entitlement under the Entitlement Offer and the Secondary Placement for a period of not less than six months after the Retail Settlement Date, subject to certain exceptions; and
- the Cornerstone Investor will be given the opportunity to maintain its initial shareholding following the Equity Raising by being permitted to subscribe for a pro-rata proportion of any future equity raisings undertaken by Transpacific, subject to certain exceptions.

In addition, Transpacific has agreed with the Cornerstone Investor, in relation to implementing a number of governance measures, that:

- the Cornerstone Investor will be entitled to nominate a Director to the Board and Nomination and Remuneration Committee;
- Transpacific will appoint two additional independent Non-Executive Directors, as agreed with the Cornerstone Investor, to the Board;
- Transpacific will, in consultation with the Cornerstone Investor, appoint an internal auditor;
- Transpacific will need to obtain consent from the Cornerstone Investor before undertaking the following actions:
  - Conducting non-pro-rata equity raisings;
  - Undertaking a major acquisition or disposal with a value or for consideration of more than $20 million;
  - Conducting a share buy-back;

- Undertaking any action that would result in Transpacific breaching the covenants under its finance facilities;
- Declaring or paying a dividend if Transpacific has a net debt (including convertible notes) to Adjusted EBITDA ratio of greater than 2.85x; and
- Raising any new indebtedness that would result in Transpacific having less than a specified level of headroom under its finance facilities covenants; and

- Transpacific will consult with the Cornerstone Investor regarding key executive appointments, casual Board appointments, annual business plans and budgets, significant litigation and repurchases or redemptions of debt or equity.

For further details, refer to the summary of the Subscription Agreement and Process Deed in Section 9.6.1.

2.7 The Equity Security and the Initial Placement

The Cornerstone Investor has entered into the Subscription Agreement pursuant to which it has been issued with the Equity Security at a subscription price of $1.00. The Equity Security is an unsecured convertible note which will convert into 35,818,663 Initial Placement Shares upon the payment of the Initial Placement Price of $1.80 per Share by the Cornerstone Investor on the Institutional Settlement Date.

The Equity Security also confers on the Cornerstone Investor the right to participate in the Entitlement Offer as though the Initial Placement had already taken place as at the Record Date for the Entitlement Offer. The Cornerstone Investor has committed to Transpacific and the Joint Lead Managers that it will take up its full Entitlement under the Institutional Entitlement Offer.

Initial Placement Shares issued under the Initial Placement will be settled and allotted on the Institutional Settlement Date.

The Initial Placement is to be conducted pursuant to the terms of the Subscription Agreement, further details of which are set out in Section 9.6.1.

2.8 Underwriting of the Entitlement Offer

The Entitlement Offer has been fully underwritten by the Joint Lead Managers pursuant to the Underwriting Agreement. Subject to the terms of the Underwriting Agreement, the Joint Lead Managers will subscribe at the Entitlement Offer Price for any New Shares that are not subscribed for by Eligible Institutional Shareholders under the Institutional Entitlement Offer and not taken up by Institutional Investors under the Institutional Entitlement Bookbuild.

A summary of the Underwriting Agreement is set out in Section 9.5, including the conditions to such underwriting and the circumstances in which the Joint Lead Managers are entitled to terminate their underwriting obligations.

Further, the Cornerstone Investor has entered into the Sub-Underwriting Agreement with the Joint Lead Managers. Subject to the terms of the Sub-Underwriting Agreement, this means the Cornerstone Investor will subscribe at the Entitlement Offer Price for:

- up to approximately 150.0 million New Shares that are not subscribed for by Eligible Institutional Shareholders under the Institutional Entitlement Offer and not taken up by Institutional Investors under the Institutional Entitlement Bookbuild; and
- any New Shares that are not subscribed for by Eligible Retail Shareholders under the Retail Entitlement Offer and not taken up by Institutional Investors under the Retail Entitlement Bookbuild.

A summary of the Sub-Underwriting Agreement and its conditions is set out in Section 9.6.2. For the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, see the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009.

2.9 The Secondary Placement

Under the terms of the Subscription Agreement, the Cornerstone Investor may subscribe for up to an additional 92,075,344 Secondary Placement Shares at the Entitlement Offer Price, less the number of New Shares the Cornerstone Investor obtains under the Sub-Underwriting Agreement.

This enables the Cornerstone Investor to obtain a minimum shareholding in Transpacific following completion of the Equity Raising and Secondary Placement of approximately 18.3%.

If available and taken up in full by the Cornerstone Investor, the Secondary Placement could raise an amount of up to approximately $110.5 million in addition to the gross proceeds of approximately $801.1 million intended to be raised under the Equity Raising.

For the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, see the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009.

2.10 Warrants

Pursuant to the terms of the Subscription Agreement and the Equity Warrant Deed, the Cornerstone Investor will be granted 71,637,326 Warrants with the potential to be exercisable over Shares.

The Warrants will be issued in registered form to the Cornerstone Investor on the Institutional Settlement Date in three tranches:

- Tranche 1: 23,879,109 Warrants exercisable from the first anniversary of the Institutional Settlement Date;
- Tranche 2: 23,879,109 Warrants exercisable from 1 July 2011; and
- Tranche 3: 23,879,108 Warrants exercisable from 1 July 2012.

The Warrant Expiry Date will be 30 June 2014. The Warrants will initially be cash-settled with reference to the Warrant Exercise Price on issue of $1.20, which may be adjusted for certain dilutive events in the future.

Each Warrant, when exercised, entitles the Warrant holder to receive a Warrant Settlement Amount calculated on the basis described in Section 9.6.4.

Transpacific intends to seek Shareholder approval at the 2009 Annual General Meeting to enable the Warrants to be settled through the issue or transfer of Shares instead of the payment of the Warrant Settlement Amount.

For further details, refer to the summary of the Equity Warrant Deed in Section 9.6.4.

2.11 Early payment of Retail Offer proceeds, the Securities Escrow Agent and the Cash Escrow Agent

The Cornerstone Investor has provided a binding commitment to pre-fund all of the Retail Entitlement Offer at the Institutional Settlement Date pursuant to its sub-underwriting commitment. This pre-funding will provide for the receipt of the total Equity Raising proceeds by Transpacific on the Institutional Settlement Date and enable a timely completion to the agreed partial repayment and refinancing of Transpacific's existing Syndicated Facility.

Upon pre-funding of the Retail Entitlement Offer, Transpacific will issue all of the New Shares corresponding to the Retail Entitlement Offer to Belike Nominees Pty Ltd, the appointed Securities Escrow Agent and a related body corporate of Macquarie. These New Shares will be held in escrow with the Securities Escrow Agent until the Retail Entitlement Offer and Retail Entitlement Bookbuild have been completed.

The Securities Escrow Agent will maintain legal ownership of the escrowed New Shares for the period of the escrow, while the Cornerstone Investor will retain beneficial interest for this period.

Application Monies and other proceeds received in respect of valid applications or otherwise under the Retail Entitlement Offer and Retail Entitlement Bookbuild will be remitted to the Cash Escrow Agent under the terms of the Escrow Agent Agreement, and will remain held on trust for applicants pending completion of the Retail Entitlement Offer and Retail Entitlement Bookbuild.

Successful applicants under the Retail Entitlement Offer and Retail Entitlement Bookbuild will be transferred New Shares by the Securities Escrow Agent on the allotment date for the Retail Entitlement Offer, expected to be 28 August 2009. The Application Monies paid in respect of those New Shares will be remitted by the Cash Escrow Agent to the Cornerstone Investor towards reimbursement of the Cornerstone Investor's earlier pre-funding of the Retail Entitlement Offer.

The Cornerstone Investor will be transferred any remaining New Shares as sub-underwriter of the Retail Entitlement Offer, to the extent of any shortfall under the Retail Entitlement Offer and Retail Entitlement Bookbuild.

For further details, refer to the summary of the Escrow Agent Agreement in Section 9.8.

2.12 The Retail Entitlement Offer and the Retail Entitlement Bookbuild

2.12.1 What is the Retail Entitlement Offer?

The Retail Entitlement Offer will be conducted between 20 July 2009 and 17 August 2009. Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to take up all or part of their Entitlement at an Entitlement Offer Price of $1.20 per New Share.

Who is eligible to participate in the Retail Entitlement Offer?

The Retail Entitlement Offer is only open to Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as Shareholders as at the Record Date;
- have a registered address in Australia;
- are not in the United States or a US Person and are not acting for the account or benefit of a US Person; and
- are not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

If you have acquired Shares in a Post Ex-Date Transaction, those Shares will be disregarded in determining your Entitlement as described in Section 9.15.

Transpacific, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder and therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Shareholder and therefore unable to participate in the Retail Entitlement Offer. Transpacific disclaims all liability to the maximum extent permitted by law in respect of the determination as to whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

The Retail Entitlement Offer is not being extended to any Shareholder whose registered address is outside Australia, or who is a person in the United States or who is, or is acting for the account or benefit of, a US Person. See Section 2.24 for further details on the treatment of foreign Shareholders.

It is the responsibility of each applicant to ensure compliance with the laws of any country relevant to their Application. Return of a completed Entitlement and Acceptance Form together with the payment by cheque, bank draft or money order or payment of any Application Monies by BPAY will be taken by Transpacific to constitute a representation to Transpacific that there has been no breach of such laws, and that the applicant is an Eligible Retail Shareholder.

The foreign selling restrictions under the Retail Entitlement Offer summarised in Section 2.24 apply to the underlying beneficial holder.

Nominees, trusts and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Retail Shareholder.

Accordingly, any Application made on the respective personalised Entitlement and Acceptance Forms by a Nominee on behalf of a beneficiary, must be in accordance with the Offer Documents. This would be the case where:

(a) the nominee has a registered address in Australia (irrespective of the registered address of the Beneficiary); and

(b) the nominee is not holding on behalf of a beneficiary who is an Eligible Institutional Shareholder, Ineligible Institutional Shareholder or Ineligible Retail Shareholder; and

(c) the beneficiary is not in the United States and is not a US Person and is not acting for the account or benefit of a US Person; and

(d) the beneficiary is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

A nominee must not send any materials relating to the Equity Raising into the United States and must not submit an Application or otherwise accept the Retail Entitlement Offer on behalf of a person in the United States or who is, or is acting for the account or benefit of, a US Person.

Details of the Equity Raising (continued)

Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia are responsible for ensuring that accepting the Retail Entitlement Offer does not breach securities laws in the relevant overseas jurisdictions.

What can Eligible Retail Shareholders apply for under the Retail Entitlement Offer?

Under the Retail Entitlement Offer, Transpacific is offering Eligible Retail Shareholders the opportunity to subscribe for 1.77 New Shares for every 1 Existing Share held at 7.00pm (Brisbane time) on 20 July 2009 (Record Date). This is called your Entitlement.

This ratio is equal to the ratio for the issue of New Shares under the Institutional Entitlement Offer. The Record Date is also the Record Date that applies to Eligible Institutional Shareholders for the Institutional Entitlement Offer.

The number of New Shares for which an Eligible Retail Shareholder is entitled to subscribe is shown on the personalised Entitlement and Acceptance Form that accompanies this Prospectus sent to each Eligible Retail Shareholder. Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

Entitlement Offer Price

The Entitlement Offer Price is $1.20 per New Share. This is payable on taking up your Entitlement and is the same price to be paid for New Shares by Eligible Institutional Shareholders under the Institutional Entitlement Offer.

Taking Up Entitlements

Eligible Retail Shareholders may take up their Entitlement in full or in part by returning their Entitlement and Acceptance Form and payment of the full Application Monies to the Share Registry (by cheque, bank draft or money order) or by BPAY payment instruction, so that it is received by no later than 5.00pm (Brisbane time) on 17 August 2009 (Closing Date). Transpacific reserves the right to extend the Closing Date without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares using BPAY will be taken to constitute a representation by the Eligible Retail Shareholder that they:

- have received a copy of this Prospectus accompanying the Entitlement and Acceptance Form and read it in full;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY instruction is given, the Application may not be varied or withdrawn except as required by law;
- agree to being transferred the number of New Shares for which they submitted an Application; and
- authorise the Securities Escrow Agent, Transpacific and the Joint Lead Managers and their officers and agents to do anything on their behalf necessary for New Shares to be transferred to them, including to act on instructions received by the Share Registry using the contact details on the form.

New Shares are expected to be allotted and transferred on 28 August 2009 to Eligible Retail Shareholders who return their Entitlement and Acceptance Form and payment of the full Application Monies to the Share Registry (by cheque, bank draft or money order) or make payment of full Application Monies by BPAY so that is it received by no later than 5.00pm (Brisbane time) on the Closing Date, as detailed in the Entitlement and Acceptance Form.

Once the Entitlement and Acceptance Form is returned or payment of Application Monies is made, it is irrevocable and may not be withdrawn, except as allowed by law.

Entitlements not taken up

New Shares of an equivalent number to New Shares not taken up under the Retail Entitlement Offer will be automatically offered for subscription under the Retail Entitlement Bookbuild (see Section 2.12.2). These New Shares will be offered for subscription together with New Shares that would have been offered to Ineligible Retail Shareholders had they been entitled to participate in the Retail Entitlement Offer.

2.12.2 What is the Retail Entitlement Bookbuild?

The Retail Entitlement Bookbuild will be conducted by the Joint Lead Managers pursuant to a bookbuild sale process conducted between (and including) 20 August 2009 and 21 August 2009. Certain Institutional Investors will be invited by the Joint Lead Managers to participate in the Retail Entitlement Bookbuild. They will be invited to bid for the number of New Shares equal to the sum of:

- New Shares not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer; and
- New Shares that would have been offered to Ineligible Retail Shareholders had they been entitled to participate in the Retail Entitlement Offer.

Clearing Price of the Retail Entitlement Bookbuild

The Clearing Price under the Retail Entitlement Bookbuild may be equal to or above the Entitlement Offer Price.

If the Clearing Price is equal to the Entitlement Offer Price:

- the Cornerstone Investor will receive the Entitlement Offer Price pursuant to the Cash Escrow Agent arrangements as described in Section 2.11 in respect of all New Shares transferred to successful applicants under the Retail Entitlement Bookbuild; and
- no cash will be payable to any Eligible Retail Shareholder or Ineligible Retail Shareholder.

If the Clearing Price is above the Entitlement Offer Price:

- the Cornerstone Investor will receive the Entitlement Offer Price pursuant to the Cash Escrow Agent arrangements as described in Section 2.11 in respect of all the New Shares transferred to successful applicants under the Retail Entitlement Bookbuild; and
- the excess, being the Retail Premium, will be paid to:
  - each Eligible Retail Shareholder who did not take up their Entitlement in full (according to the number of New Shares they were entitled to take up but did not); and
  - each Ineligible Retail Shareholder (according to the number of New Shares they would have been entitled to take up if they were an Eligible Retail Shareholder).

The Clearing Price will not be below the Entitlement Offer Price because the Entitlement Offer is fully underwritten by the Joint Lead Managers. If there is insufficient demand to clear the Retail Entitlement Bookbuild at the Entitlement Offer Price, the Joint Lead Managers or the Cornerstone Investor will take up, or procure the take-up of, any shortfall at the Entitlement Offer Price pursuant to the Underwriting Agreement and the Sub-Underwriting Agreement.

The ability to procure subscriptions for the New Shares under the Retail Entitlement Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. It is possible that the Clearing Price under the Retail Entitlement Bookbuild may be equal to the Entitlement Offer Price, in which case no Retail Premium would be payable. The existence of any Institutional Premium is not an indication of whether there will be a Retail Premium or what the Retail Premium may be. There is no guarantee that any value will be received by Eligible Retail Shareholders or Ineligible Retail Shareholders for their Entitlement through the Retail Entitlement Bookbuild, or that any value achieved for Entitlements in the Institutional Entitlement Bookbuild will be matched in the Retail Entitlement Bookbuild.

To the maximum extent permitted by law, neither Transpacific nor the Joint Lead Managers, nor their respective related bodies corporate, nor the directors, officers, employees, agents or advisers of any of them, will bear liability, including for their negligence, for any failure to procure subscribers under the Retail Entitlement Bookbuild at a price equal to or in excess of the Entitlement Offer Price.

Payment of any Retail Premium to any existing or former Shareholder will be made either by:

- cheque mailed to that person's address as last recorded in Transpacific's register of members; or
- direct credit, but only where that person has previously nominated to receive payment of dividends by direct credit and has not withdrawn that nomination.

In all cases, the payment method used will be at Transpacific's election.

2.13 The Institutional Entitlement Offer and Institutional Entitlement Bookbuild

The Institutional Entitlement Offer and Institutional Entitlement Bookbuild were conducted between (and including) 15 July 2009 and 17 July 2009 to raise approximately $561.0 million through the issue of approximately 467.5 million New Shares.

Settlement of the Institutional Entitlement Offer and the Institutional Entitlement Bookbuild is expected to occur on 5 August 2009. Normal settlement trading of those New Shares is expected to commence on 6 August 2009.

2.13.1 What is the Institutional Entitlement Offer?

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders were invited to subscribe for 1.77 New Shares for every 1 Existing Share held at the Record Date at the Entitlement Offer Price of $1.20.

For the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, see the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009.

2.13.2 What is the Institutional Entitlement Bookbuild?

Under the Institutional Entitlement Bookbuild, certain Institutional Investors were invited by the Joint Lead Managers to bid for a number of New Shares equal to the sum of:

- New Shares not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer; and
- New Shares that would have been offered to Ineligible Institutional Shareholders had they been entitled to participate in the Institutional Entitlement Offer.

The Clearing Price under the Institutional Entitlement Bookbuild is set out in the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009.

If the Clearing Price under the Institutional Entitlement Bookbuild was higher than the Entitlement Offer Price, the excess (the "Institutional Premium") will following settlement of the Institutional Entitlement Bookbuild be paid to:

- each Eligible Institutional Shareholder who did not take up their Entitlement in full (according to the number of New Shares they were entitled to take up but did not); and
- each Ineligible Institutional Shareholder (according to the number of New Shares they would have been entitled to take up if they were an Eligible Institutional Shareholder).

If the Clearing Price under the Institutional Entitlement Bookbuild was equal to the Entitlement Offer Price there is no Institutional Premium and no cash will be payable to any Eligible Institutional Shareholder or Ineligible Institutional Shareholder.

The Entitlement Offer Price per New Share issued under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild will be received by Transpacific on the Institutional Settlement Date.

2.14 No offer under the Retail Entitlement Offer to Eligible Institutional Shareholders, Ineligible Institutional Shareholders or Ineligible Retail Shareholders

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder, including:

- any Eligible Institutional Shareholder (whether or not it accepted the Institutional Entitlement Offer);
- any Ineligible Institutional Shareholder;
- any Ineligible Retail Shareholder; or
- a nominee for such a person, in respect of Shares held for such a Shareholder.

2.15 No offer under the Retail Entitlement Offer to holders of New Shares

Any person allocated New Shares under the Institutional Entitlement Offer does not have any Entitlement to participate in the Retail Entitlement Offer in respect of those New Shares.

2.16 Other information for nominees

Because of legal restrictions applicable to the Entitlement Offer, persons who act as nominees for Shareholders must not send copies of this Prospectus to any of their clients (or any other person) resident in the United States or to any US Person, or to any person that is acting for the account or benefit of a US Person. By submitting an Entitlement and Acceptance Form or making a payment by BPAY, you will be deemed to have made the representations and warranties, on behalf of yourself and any of your clients for whom you are acting as nominee, set out in Section 2.12.1 and Section 2.24.

2.17 No trading of Entitlements

Entitlements cannot be traded on ASX or any other exchange or privately transferred.

However, New Shares equivalent to the number of New Shares not taken up under the Retail Entitlement Offer will be offered for subscription under the Retail Entitlement Bookbuild (described in Section 2.12.2). If you do not take up all of your Entitlement, you may be paid some cash (the Retail Premium) for that part of your Entitlement not taken up (refer to Sections 2.12.2) or you may be paid nothing.

2.18 Reconciliation

The Entitlement Offer is a complex structure and in some instances Shareholders may believe that they own more or fewer Existing Shares than they ultimately did on the Record Date. This results in a need for reconciliation.

If reconciliation is required, it is possible that Transpacific may need to issue a small quantity of additional New Shares ("Top Up Shares") to ensure all Eligible Shareholders receive their full Entitlement. The price at which any Top Up Shares are issued is not known but would not be lower than the Entitlement Offer Price.

Transpacific also reserves the right to reduce the number of New Shares or the amount of Institutional Premium or Retail Premium allocated to Eligible Shareholders (or persons claiming to be Eligible Shareholders) if their claims prove to be overstated or if they (or their nominees) fail to provide information requested to substantiate their claims. Any Top Up Shares (and New Shares transferred under the Retail Entitlement Bookbuild) will be issued under this Prospectus and accordingly (without limiting other provisions of this Prospectus permitting variation of dates or acceptance of late Applications) the offers in this Prospectus remain open for acceptance in respect of such Shares until the later of the date of transfer to applicants of New Shares under the Retail Entitlement Bookbuild and the issue of any Secondary Placement Shares.

2.19 Ranking of New Shares

New Shares will be issued as fully paid ordinary shares in Transpacific and will rank equally with Existing Shares from the date of allotment.

A summary of the rights and liabilities attaching to the New Shares is set out in Section 9.9.

2.20 ASX quotation and trading of New Shares

Transpacific will apply within seven days of the date of this Prospectus for the official quotation of the New Shares.

Subject to approval being granted by ASX, it is expected that:

- normal trading of Initial Placement Shares issued under the Initial Placement and New Shares issued under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild will commence on 6 August 2009; and
- normal trading of New Shares transferred under the Retail Entitlement Offer and Retail Entitlement Bookbuild will commence on 31 August 2009.

Holding Statements are expected to be dispatched to successful applicants under the Retail Entitlement Offer on 31 August 2009.

It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving their holding statement will do so at their own risk.

Transpacific and the Joint Lead Managers disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their confirmation, whether on the basis of confirmation of the allocation provided by Transpacific, the Share Registry, the Securities Escrow Agent or the Joint Lead Managers.

2.21 CHESS

The New Shares will participate from the date of commencement of quotation in CHESS, operated by ASX Settlement and Transfer Corporation Pty Limited. The New Shares must be held in an uncertificated form (i.e. no share certificate will be issued) on the CHESS sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register.

Arrangements can be made at any subsequent time to convert your holding from the issuer-sponsored sub-register to the CHESS sub-register or vice versa, by contacting your sponsoring participant.

2.22 Application Monies

All Application Monies will be held by the Cash Escrow Agent (in accordance with the terms of the Escrow Agent Agreement) in a bank account on trust for applicants as required by the Corporations Act (and certain ASIC Modifications) until the New Shares are transferred by the Securities Escrow Agent to successful applicants or, if the New Shares are not transferred, until the Application Monies are refunded to the applicants as soon as is practicable after the Closing Date. The bank account will be established and maintained by the Cash Escrow Agent solely for the purpose of depositing Application Monies and retaining those funds for as long as required under the Corporations Act (and the certain ASIC Modifications) and the Escrow Agent Agreement.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, Transpacific and will be retained by Transpacific whether or not the allotment and transfer of New Shares take place.

If the New Shares are not transferred to you, a cheque will be drawn and relevant Application Monies will be refunded as soon as practicable after the Closing Date.

2.23 Withdrawal of Entitlement Offer

Transpacific and the Directors reserve the right to withdraw all or part of the Entitlement Offer and this Prospectus at any time prior to the transfer of New Shares on the allotment of the Retail Entitlement Offer and Retail Entitlement Bookbuild, in which case Transpacific will draw a cheque and refund Application Monies in relation to New Shares not already transferred in accordance with the Corporations Act without any payment of interest to the applicant and as soon as is practicable.

2.24 Treatment of foreign Shareholders

2.24.1 General

Neither this Prospectus nor the Entitlement and Acceptance Form constitutes an offer of securities in the United States (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

Eligible Retail Shareholders resident outside Australia should consult their professional advisers as to whether, in order to enable them to take up their Entitlement, any governmental or other consents are required or other formalities need to be observed.

Eligible Retail Shareholders holding Transpacific Shares on behalf of persons who are resident outside Australia are responsible for ensuring that taking up their Entitlement does not breach the laws and regulations in the relevant overseas jurisdiction. The making of an Application (whether by the return of a duly completed Entitlement and Acceptance Form or by the making of a BPAY payment) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed.

2.24.2 New Zealand Shareholders

Shareholders with a registered address in New Zealand and who are not Institutional Shareholders will be Ineligible Retail Shareholders. Transpacific is not extending the Retail Entitlement Offer or Retail Entitlement Bookbuild to persons with a registered address in New Zealand because, as a result of the way the Retail Entitlement Offer is structured, New Zealand securities laws apply to the Retail Entitlement Offer and Retail Entitlement Bookbuild in a way that is different to a typical pro-rata entitlement offer. ASX has granted Transpacific a waiver of ASX Listing Rule 7.7 to permit Transpacific not to extend the Retail Entitlement Offer to Shareholders in New Zealand.

2.24.3 Ineligible Retail Shareholders

In addition to the comments above in relation to Shareholders with a registered address in New Zealand, Transpacific is of the view that it is not reasonable or practicable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders, having regard to:

- the number of Ineligible Retail Shareholders;
- the number and value of the New Shares which would be offered to Ineligible Retail Shareholders if they were Eligible Retail Shareholders; and
- the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Retail Entitlement Offer is not being extended to any Shareholders outside Australia.

Transpacific will notify all Ineligible Retail Shareholders of the Retail Entitlement Offer, provide them with details of the Equity Raising, in particular the Retail Entitlement Offer, and advise them that Transpacific is not extending the Retail Entitlement Offer to Ineligible Retail Shareholders.

Transpacific has appointed the Joint Lead Managers to offer for subscription, through the Retail Entitlement Bookbuild, New Shares equivalent to the number that Ineligible Retail Shareholders would have been able to apply for had they been entitled to participate in the Retail Entitlement Offer.

The following international selling restrictions relate to the transfer of New Shares under the Retail Entitlement Offer.

United States

The Retail Entitlement Offer is not being made in the United States or to, or for the account or benefit of, US Persons. Accordingly, Eligible Retail Shareholders who hold Shares on behalf of persons in the United States or that are, or are acting for the account or benefit of, US Persons may not take up their Entitlements or apply for New Shares on behalf of such persons, and may not send to such persons this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer.

None of the Entitlements under the Entitlement Offer, the Shares or the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a US Person, and the Shares and New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Accordingly, the Shares and New Shares will constitute "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and, for so long as the Shares and New Shares remain restricted securities, the Shares and New Shares may not be deposited in any unrestricted American Depository Receipt facility with respect to the ordinary shares of Transpacific.

Each Eligible Retail Shareholder who submits an Entitlement and Acceptance Form or makes a payment via BPAY in respect of New Shares will be deemed to have represented, warranted and agreed that:

- neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or any US state or other securities laws, and may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- they are not in the United States, and are not a US Person or acting for the account or benefit of a US Person;
- they will not send this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a US Person; and
- if in the future they decide to sell or otherwise transfer their New Shares, it will only do so in standard transactions on ASX where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, in the United States or is, or is acting for the account or benefit of, a US Person.

2.25 Taxation implications of the Entitlement Offer

The taxation implications of the Entitlement Offer will vary depending upon the particular circumstances of each Shareholder.

Accordingly, all investors should obtain their own professional advice before concluding on the particular taxation treatment that will apply to them, whether or not those investors participate in the Entitlement Offer and apply for New Shares.

General tax implications in Australia for Eligible Retail Shareholders are discussed in further detail in Section 8.

Section 3

Actions required by Eligible Retail Shareholders

Actions required by Eligible Retail Shareholders

Before taking any action in relation to the Retail Entitlement Offer, Eligible Retail Shareholders should read this Prospectus in its entirety, including Section 6, which summarises key risk factors associated with an investment in New Shares.

Your Entitlement is set out in the personalised Entitlement and Acceptance Form accompanying this Prospectus. If you are an Eligible Retail Shareholder and you have not received a personalised Entitlement and Acceptance Form, you should contact the Share Registry between 8.30am and 5.00pm (Brisbane time) Monday to Friday during the Entitlement Offer Period on 1300 751 842 from within Australia or +61 3 9415 4204 from outside Australia.

3.1 Choices available

Eligible Retail Shareholders may do any of the following:

- take up their full Entitlement under the Retail Entitlement Offer;
- partially take up their Entitlement; or
- take no action.

The Retail Entitlement Offer is a pro-rata offer to Eligible Retail Shareholders. Eligible Retail Shareholders who take up their Entitlements in full will not have their percentage shareholding in Transpacific (held at the Record Date for the Retail Entitlement Offer) diluted by the Entitlement Offer, although they may be diluted by the Initial Placement and the Secondary Placement (if applicable).

The percentage shareholding of Eligible Retail Shareholders who do not take up all of their Entitlements will be diluted (i.e. it will reduce). Ineligible Retail Shareholders who are not eligible to take up their Entitlements will also have their percentage shareholding in Transpacific diluted.

3.2 Accept the Retail Entitlement Offer IN FULL OR IN PART

3.2.1 What you need to do

If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement you have two options.

OPTION 1: Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order.

To follow this Option 1, you should:

- complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form, and indicate the number of New Shares for which you wish to subscribe; and
- return the Entitlement and Acceptance Form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
  - in respect of the full Application Monies (being $1.20 per New Share multiplied by the number of New Shares for which you wish to subscribe and not being an amount for payment of New Shares in excess of your Entitlement);
  - in Australian currency drawn on an Australian branch of a financial institution; and
  - made payable to "Transpacific Entitlement Offer A/C" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in relevant account(s) to cover the full Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares for which you have applied in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, at the discretion of the Joint Lead Managers, in consultation with Transpacific, your Application will be rejected.

Cash payments will not be accepted. Receipts for payment will not be issued.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order is received at the Share Registry at the following address by no later than 5.00pm (Brisbane time) on 17 August 2009 (subject to variation):

Computershare Investor Services Pty Limited
GPO Box 5240
Brisbane QLD 4001

For the convenience of Eligible Retail Shareholders, a reply paid envelope addressed to the Share Registry has been enclosed with this Prospectus. If mailed in Australia, no postage stamp is required.

Entitlement and Acceptance Forms (and payments for Application Monies) may be accepted if received after the Closing Date at the discretion of the Joint Lead Managers and Transpacific.

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted at Transpacific's registered or corporate offices. Further, persons who access the electronic version of this Prospectus should note that the electronic version of this Prospectus on the Transpacific website will not include an Entitlement and Acceptance Form.

OPTION 2: Pay via BPAY payment

To follow this Option 2, you should pay the full Application Monies (being $1.20 per New Share multiplied by the number of New Shares for which you wish to subscribe and not being an amount for payment of New Shares in excess of your Entitlement) via BPAY payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form, which includes the biller code and your unique reference number. If you have multiple holdings, you will also have multiple customer reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution.

Please note that should you choose to pay by BPAY payment:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form; and
- you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

You need to ensure that your BPAY payment is received by the Share Registry by no later than 5.00pm (Brisbane time) on 17 August 2009 (subject to variation).

Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that all Application Monies submitted through BPAY are received by 5.00pm (Brisbane time) on 17 August 2009 (subject to variation).

You may not apply for more than the Entitlement shown on your personalised Entitlement and Acceptance Form. The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of your actual Entitlement. Any Application Monies received for more than your total actual Entitlement are expected to be refunded on or around 10 September 2009.

In either case of OPTION 1 or OPTION 2, by taking up all or part of your Entitlement, you will be deemed to have made the representations set forth in Sections 2.12.1 and 2.24.

3.2.2 Note for Shareholders taking up less than their full Entitlement

If you do not take up your full Entitlement, you should note that the New Shares representing the part of your Entitlement that you do not take up will be sold through the Retail Entitlement Bookbuild and you will be paid cash if there is a Retail Premium (see Section 2.12.2) or you will be paid nothing if the Clearing Price for the Retail Entitlement Bookbuild is equal to the Entitlement Offer Price.

You should also note that, if you do not take up all of your Entitlement, then – although you will continue to own the same number of Shares and may acquire some New Shares – your percentage shareholding in Transpacific will be reduced.

3.3 If you do nothing

If you are an Eligible Retail Shareholder and you do nothing, then New Shares representing your Entitlement will be sold through the Retail Entitlement Bookbuild and you will be paid in cash if there is a Retail Premium (see Section 2.12.2) or you will be paid nothing if the Clearing Price for the Retail Entitlement Bookbuild is equal to the Entitlement Offer Price.

You should also note that, if you do not take up your Entitlement, then – although you will continue to own the same number of Existing Shares – your percentage shareholding in Transpacific will be reduced.

Actions required by Eligible Retail Shareholders (continued)

3.4 Further information

This Prospectus is important and requires your immediate attention. You should read it carefully in its entirety. If you are in doubt as to the course you should follow you should consult your stockbroker, accountant or other professional adviser. If you:

- have questions in relation to the Existing Shares upon which your Entitlement has been calculated; or
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Transpacific Shareholder Information Line on 1300 751 842 (local call cost within Australia) or on +61 3 9415 4204 (from outside Australia) at any time from 8.30am to 5.00pm (Brisbane time) Monday to Friday during the Entitlement Offer Period.

In advance of receiving your written confirmation of transfer of New Shares, you can check the number of New Shares transferred to you under the Retail Entitlement Offer by using the Computershare Investor Centre at www.investorcentre.com and following the security access instructions.

Section 4

Overview of Transpacific

Overview of Transpacific

4.1 Group overview

Transpacific is the leading Australasian provider of integrated environmental services with operations in both solid and liquid waste management. The Company also provides industrial cleaning services, operates an energy business focused on the collection, treatment and recycling of oil-related waste, a manufacturing business, and a commercial vehicles business.

Transpacific was listed on ASX on 3 May 2005. Transpacific's major Shareholder, the Peabody Family, is also the Company's founder. Mr Terry Peabody is the Company's Executive Chairman and has over 20 years' experience in the waste management and trucking industries.

In FY2008A, Transpacific recorded revenue of $2,190 million and EBITDA of $541 million. Transpacific's FY2009F revenue and EBITDA is expected to be $2,207 million and $456 million respectively. See Section 5 for further information.

Transpacific's business model is based on the provision of tailored services to meet the needs of its customers and to provide a comprehensive range of integrated total waste management and facility management services.

Transpacific currently has business operations throughout Australia and New Zealand, including 36 landfills (including 17 managed sites), 51 resource recovery centres and 57 liquid waste processing, treatment and disposal facilities. As at the date of this Prospectus, Transpacific has over 7,500 employees.

Transpacific's current strategic focus is on driving organic growth from its existing platform, rather than on further acquisitions. However, there continues to be potential for further strategic consolidation in the Australian solid waste sector. In particular, Transpacific remains interested in acquiring WSN Environmental Solutions, which the New South Wales Government is expected to offer for sale in the next 12 months. Any future acquisitions would be assessed against Transpacific's financial returns criteria and conservatively funded.

Transpacific also has a number of ongoing projects which will support organic growth. These include additional facilities for hydrogenation refining of used oil, water recycling, composting, and recycling of commercial and industrial solid waste through the "Harvest" and "Commercial Combo" programs which were launched in FY2008.

Transpacific is committed to the safe and responsible management of waste, regulatory compliance and the protection and enhancement of the environment. Also, of paramount importance is Transpacific's commitment and philosophies towards workplace health and safety, and the wellbeing of its employees.

4.2 Business Divisions

Transpacific is structured into seven operating divisions. The divisions operate across Australia and New Zealand and are outlined in further detail below.

Solid Waste
Australia and New Zealand's leader in collection, transportation and disposal of solid commercial and municipal waste, including landfill and transfer station operation, resource recovery and recycling. Significant future land bank from closed landfills.

Liquid and Hazardous Waste
Leading Australian and New Zealand business in collection, treatment and disposal of liquid and hazardous waste and other services such as water recycling.

Energy
Collection, transport, treatment, storage and recycling of waste mineral oil, used cooking oils, fats, and tallows. Re-refining of waste mineral oil and contaminated fuels into fully refined lubricant base oils. Waste to energy services.

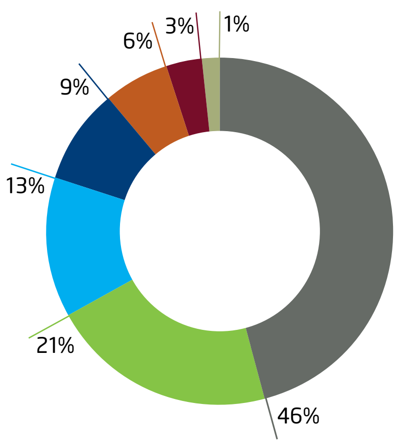
Organics and Remediation
Specialises in site remediation, contaminated site clean-up, dredging, composting and biosolids management.

Industrial Solutions
Australia and New Zealand's leading specialist in industrial cleaning and total waste management business solutions.

Commercial Vehicles
Imports and distributes the Western Star and MAN brands of heavy duty trucks and associated parts, MAN bus chassis and industrial engines.

Manufacturing
Manufactures vehicle bodies, parts washers, bins and waste compaction units to support Transpacific's own operations as well as industry.

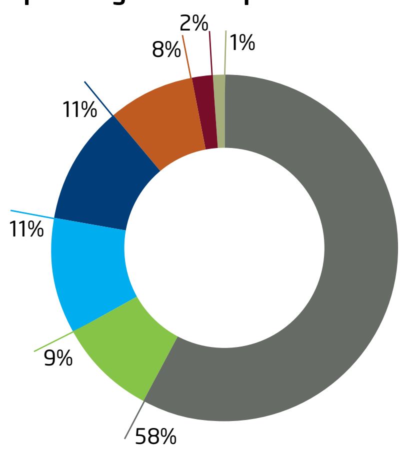
Sales Revenue split FY2008A



Revenue split between Divisions before deducting Inter-company items as detailed in Section 5.5.2.

Total Sales Revenue (including PSO subsidy): $2,169.2 million

Operating EBITDA split FY2008A



Total Operating EBITDA: $492.5 million

Divisions

- Solid Waste
- Commercial Vehicles
- Industrial Solutions
- Liquid and Hazardous Waste
- Energy
- Manufacturing
- Organics and Remediation

Overview of Transpacific (continued)

4.2.1 Solid Waste

Transpacific is one of the largest operators in the solid waste sector in Australia and New Zealand following its acquisitions of Waste Management NZ, Baxter, Twigg and Cleanaway Australia. Services provided include solid waste collection, recycling, landfill construction and operation, transfer station construction and operation, and alternative waste treatment plants.

The collection business operates in both the municipal and the commercial and industrial sectors of the industry. Collection services are provided by a fleet of company-owned as well as owner driver vehicles, supported by operational facilities in each area with customer service, sales and maintenance personnel.

This division operates under a number of well-recognised trading names, the key businesses being Cleanaway in Australia and Waste Management in New Zealand.

Transpacific currently owns and operates 19 landfills, which accept waste both from the collection businesses and from other collection companies. The Company also operates 17 landfills on behalf of third party owners. These sites are supported by a number of owned or operated transfer stations throughout the regions in which the Company operates.

Transpacific is dedicated to minimising the environmental impact of waste generated by its customers. This is achieved through the ownership and operation of a number of materials recycling facilities (MRFs), the recycling of materials and diversion of waste from landfill wherever possible (enhanced by the recently launched "Harvest" program in Australia, and "Commercial Combo" in New Zealand), the use of best practice technologies at landfills and the conversion of landfill gas to energy at several Transpacific sites.

4.2.2 Liquid and Hazardous Waste

The Liquid and Hazardous Waste division specialises in the collection, transportation, processing, recycling and disposal of liquid, sludge and hazardous waste generated by the agriculture, manufacturing, construction, mining and government sectors. Transpacific is one of the largest operators in this sector in Australia and New Zealand.

Liquid waste is collected and transported in purpose built, environmentally sound trucks equipped to manage the particular waste streams. Collection operations are generally centred around Transpacific's 57 processing, treatment and disposal facilities located throughout Australia and New Zealand.

Transpacific's treatment and processing facilities are designed and operated utilising technology tailored to treat the chemical and physical properties of the waste streams received. Processes are designed to assist the recovery and reuse of the maximum amount of the component wastes, with residues treated to a standard that is compliant with relevant statutory requirements and best practice.

Transpacific is currently investigating a number of new growth opportunities for the Liquid and Hazardous Waste division. These include opportunities in water recycling and other expanded service offerings.

4.2.3 Energy

Transpacific's Energy division specialises in collection, treatment and recycling of used mineral and cooking oil for distribution and reuse. The division uses a fleet of over 100 specialist vehicles to collect used oil, grease, filters, oily rags and contaminated fuel from over 40,000 collection points in Australia and New Zealand.

In addition to its core oil collection and existing recycling capabilities, Transpacific commenced the operation of its first hydrogenation plant in July 2007, to further refine used mineral oil back to an API Group I base oil stock, which can be used in the manufacture of premium grade lubricants and greases. The facility, located at Rutherford and structured through a joint venture in which Transpacific has a 50% interest, is the first of its kind in Australia and provides a significant contribution to the environmentally sustainable management of waste oil in New South Wales.

Transpacific has announced that it is considering investing in a further three hydrogenation plants. This includes the EPA approved facility in Victoria, and pending approvals in Queensland and Western Australia.

The Energy division also manufactures specialty bitumen based products and paints.

4.2.4 Organics and Remediation

This division was separated from the Liquid and Hazardous Waste division in 2007. Services provided include clean-up and remediation of contaminated land sites, dredging, organic waste processing and biosolids management.

The focus of this division is on resource recovery. Grease trap, food and green wastes are collected and processed to produce a range of soil conditioners and potting mixes, which can be used in composting, land rehabilitation and agricultural applications. Such applications are likely to become increasingly important as governments and industry continue to support environmentally sound practices.

4.2.5 Industrial Solutions

The Industrial Solutions division specialises in providing industrial cleaning, total waste management solutions and facilities management services to customers operating in a range of industries including the manufacturing, mining, construction and various government sectors. Key services include abrasive blasting, high pressure water blasting, vacuum loading and recovery, asbestos removal and disposal, environmental services such as spill recovery, decontamination and audits, tank cleaning, management of marine wastes, protective coatings, and sewer and drain cleaning.

Operating throughout Australia and New Zealand, our industrial services team utilises the latest technology and best methods to provide the most effective solutions to our customers.

The division also sells and services parts cleaning machines for its wide range of industrial clients, together with providing liquid freight container (ISO tanks) cleaning services.

4.2.6 Commercial Vehicles

The Commercial Vehicles division is the exclusive importer and distributor of Western Star and MAN heavy duty trucks, MAN buses, and associated parts for Australia, New Zealand and select markets in Asia.

The division has developed a specialised network of 65 dealers throughout Australia and New Zealand, with a full service Western Star dealer also located in the Philippines and Papua New Guinea. Bus chassis are distributed directly by Transpacific to customers.

The Commercial Vehicles division also has a significant parts distribution business acting as the exclusive distributor for Western Star and MAN parts in the same markets covered by the product range agreement. This allows the division to take advantage of strong brand loyalty and high demand for quality parts and after-sale service.

4.2.7 Manufacturing

The Manufacturing operations include the manufacture of waste bins and compactors to support the Company's solid waste operations as well as those of the waste industry. Transpacific also manufactures specialised vacuum tank equipment, vehicle bodies and parts cleaning machines. The primary manufacturing plants are located in Brisbane and Bundaberg.

4.3 Outlook

4.3.1 EBITDA guidance

In FY2009F, Transpacific's operations have been impacted by lower commodity prices, weaker Australian and New Zealand currencies, and generally softer economic conditions in Australia and New Zealand. As a result, Transpacific now expects to report FY2009F Operating EBITDA of $447.0 million. This represents a 9% fall from the normalised result of $492.5 million recorded in FY2008A. See Section 5 for further information on Transpacific's Financial Information.

Overview of Transpacific (continued)

Transpacific remains positive about the outlook for its various businesses beyond FY2009F. The Company's core waste operations are generally defensive in nature, given increasing regulation, multi-year contracts within the collection businesses, and public sector work. Transpacific is also well diversified both geographically and operationally, with customers from a wide variety of industries and locations throughout Australia and New Zealand.

Transpacific's experienced management team will also continue to pursue planned growth projects.

4.3.2 Divisional outlook

Solid Waste

A key driver of FY2010F trading performance in the Solid Waste division will be commercial waste volumes from commercial, industrial and building activity. Since December 2008, operating performance in this division has been affected by the slowing Australian and New Zealand economies. The most significant impact was on landfill volumes which reflect the sharp downturn experienced in the building and construction sector. Transpacific anticipates a modest increase in commercial and industrial waste volumes and further improvement from building and construction as a result of government stimulus.

The New Zealand economy overall is more affected by non-mining primary industries and is expected to recover more slowly than Australia. While this applies to all of Transpacific's divisions, it is particularly relevant to Solid Waste.

The division will also be impacted by international commodity prices and demand for recyclables including paper, metal, plastics and oil. There was a dramatic fall in demand and pricing for commodities worldwide in late CY2008. Pricing and demand has improved through CY2009.

Looking forward, a number of opportunities exist to grow the business, including:

- a strong focus on recycling initiatives through the "Harvest" and "Commercial Combo" programs. This will both increase collection and commodity revenues and extend the life of company-owned landfills;
- cross-selling solid waste services to customers in other segments of the business;
- further development of Alternative Waste Technologies, including composting systems;
- the full year impact of recent large tender wins, such as the Christchurch City Council contract in New Zealand (15 year contract; second largest in Southern Hemisphere); and
- cost savings through new technology and better utilisation of assets.

Liquid and Hazardous Waste

FY2010F trading performance in the Liquid and Hazardous Waste division is dependent upon commercial and industrial waste volumes. Since December 2008 operating performance has been affected by the slowing Australian and New Zealand economies and more particularly the manufacturing sector. Transpacific expects a minor increase in commercial and industrial waste streams from current levels.

This business is positioned to benefit from increasingly stringent regulations being imposed on waste generators. Opportunities to grow the business include:

- commissioning of full-scale effluent recycling plants following positive results from a pilot plant;
- new and expanded service offerings, as increased regulation creates opportunities in recycling and reuse of waste streams;
- cross-selling liquid waste services to customers in other segments of the business;
- utilisation of new technologies such as waste to energy, heavy metals recovery from liquid streams and waste acid regeneration; and
- further development of existing services such as laboratory testing and quarantine services.

Energy

In FY2010F, volumes and margins in the Energy division are expected to continue their return to longer term trends following the significant destocking experienced in early CY2009.

Despite short-term volatility in energy prices, consumers of energy will continue to face increasing costs and risks of supply. Carbon reduction schemes in both Australia and New Zealand will place further pressure on costs for consumers of energy from 2011.

Given these factors, Transpacific plans to continue to expand its service offering by commissioning new hydrogenation facilities in coming years where there is a sound economic case for new facilities. EPA approvals have been granted for a second hydrogenation facility in Victoria, and Transpacific is investigating two additional facilities in Queensland and Western Australia. Transpacific would benefit from any recovery in energy prices, both in its core waste oil recycling business and its hydrogenation activities.

Organics and Remediation

While this is a relatively small division within Transpacific, increased management focus is expected to enable further growth in an expanding market. Key growth opportunities include government contract wins, increasing levels of soil remediation given growing land values, and expanded service offerings including soil washing and thermal treatment. This segment also provides the Company with the skills required to remediate landfill assets when they reach the end of their useful life.

In FY2010F, this division will continue to explore profitable opportunities and is expected to deliver modest growth.

Industrial Solutions

Earnings in the Industrial Solutions division are dependent upon general industrial and mining activity, which are expected to continue at 2H2009F levels through FY2010F. However, FY2010F earnings will be supported by a solid base of specialist services for government and industry including public sector work and contracted site management with a variety of blue chip clients.

Looking forward, Transpacific continues to see growth opportunities in the following areas:

- expansion of services to the existing customer base;
- entry or expansion in specialised segments of the market including water recycling, refractory services, services to the demolition industry, and offshore oil services; and
- geographic expansion into Tasmania.

Commercial Vehicles

The Commercial Vehicles division has been negatively impacted in 2H2009F by the weaker Australian dollar against the US dollar and the Euro. Australian dollar equivalent costs of imported commercial vehicles purchased in Euro and US dollars have had a negative impact on demand.

Despite this, sections of the business continue to perform consistently, in particular the parts and service offerings. Specifically, if new vehicle deliveries decline, parts sales will increase as customers seek to increase the life of their existing fleets.

While new vehicle sales are being impacted by current economic conditions, Transpacific sees further opportunities for growth including:

- developing and signing distribution agreements with new brands to supplement existing products;
- infiltration and growth with large transport fleet customers;
- continuing to grow market share across each of the brands;
- continuing to grow the bus fleet through public transport tender opportunities; and
- focusing on internal inventory management, costs and margins.

Overview of Transpacific (continued)

If the Australian dollar continues to appreciate through CY2009 market demand for new heavy vehicles should improve in FY2010F.

Manufacturing

Unlike some other divisions of Transpacific, the Manufacturing division is not underpinned by long-term contracts and is more likely to be influenced by the overall state of macroeconomic conditions and general level of activity in the market.

Demand for products in municipal contracts is expected to continue relatively unaffected and the Manufacturing division is expected to maintain market share through FY2010F. Current market conditions for general commercial and industrial products are, however, expected to continue at 2H2009F levels and remain affected by some level of replacement equipment postponement attributable to the current economic climate.

Transpacific continues to see growth in the following areas:

- higher demand for specialised waste equipment as a result of increasing environmental legislation;
- new product introductions, including vacuum tankers, MRF equipment, sweepers and steel bins;
- new facilities in Western Australia; and
- cost reductions through overseas manufacturing and component supply, consolidation of facilities and consolidation of products lines.

Section 5

Financial information

Financial information

5.1 Introduction

This section contains a summary of relevant historical, pro-forma and forecast information for Transpacific ("Financial Information").

The pro-forma Financial Information has been prepared to show the impact of the Equity Raising, the Amended Facility Agreement, the amendments to the USPP, the closing out of interest rate swap contracts with a face value of approximately $500 million at a cost of approximately $40 million and the waiver of past breaches of covenants under the Syndicated Facility and USPP (together the "Recapitalisation").

The Financial Information comprises:

- Historical Consolidated Income Statement for the year ended 30 June 2008 ("FY2008A");
- Forecast Consolidated Income Statement for the year ending 30 June 2009 ("FY2009F"), comprising the actual results for the six months ended 31 December 2008 ("1H2009A") combined with forecast results for the six months ending 30 June 2009 ("2H2009F");
- Pro-forma Consolidated Income Statement for the year ending 30 June 2009 ("FY2009PF") derived from the forecast Consolidated Income Statement for the year ending 30 June 2009 as though the Recapitalisation had been completed on 30 June 2008;
- Historical Consolidated Balance Sheet as at 31 December 2008;
- Pro-forma Consolidated Balance Sheet as at 31 December 2008 derived from the historical Consolidated Balance Sheet as at 31 December 2008 as though the Recapitalisation had been completed on that date, and including adjustments for significant items for the six months ending 30 June 2009; and
- Pro-forma impact of the Recapitalisation on Transpacific's debt maturity profile.

The forecast Financial Information should be read together with the notes and assumptions accompanying the Financial Information and the risk factors set out in Section 6 of this Prospectus.

5.2 Independent Accountant's Report

The Independent Accountant has reviewed the Financial Information of Transpacific. The Financial Information should be read in conjunction with the Independent Accountant's Report set out in Section 7. Shareholders should note the comments made in relation to the scope and limitations of the review.

5.3 Basis of preparation

5.3.1 Historical Financial Information

Transpacific prepares its financial statements in accordance with AAS. The Financial Information in this Section should be read in conjunction with the significant accounting policies outlined in Transpacific's FY2008A audited consolidated financial statements which specify the basis of preparation. A copy of the FY2008A audited financial statements can be downloaded from Transpacific's website at www.transpacific.com.au.

The Financial Information contained in this Section is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

Shareholders should refer to financial reports for the full year ended 30 June 2008 and the half year ended 31 December 2008 and related announcements on ASX's website www.asx.com.au should they wish to obtain more detailed financial disclosure and commentary on historical financial information in relation to Transpacific.

5.3.2 Forecast Financial Information

The forecast Financial Information is based on a number of estimates and assumptions concerning future events, including the general and specific best estimate assumptions set out in Section 5.6. The Directors consider the information and assumptions taken as a whole used to prepare the forecast Financial Information to be appropriate and reasonable at the time of preparation.

However, future matters are subject to significant uncertainties, many of which are outside the control of the Directors and may also not be capable of being foreseen or accurately predicted. As a result, no assurance can be given that the forecasts will be achieved. Investors must review the information detailed in this Section, including assumptions, and make their own independent assessment of the future performance and prospects of Transpacific.

5.3.3 Pro-forma Financial Information

The pro-forma Financial Information has been prepared for illustrative purposes to show the impact of the Recapitalisation on Transpacific's Consolidated Income Statement and Consolidated Balance Sheet.

The pro-forma Consolidated Income Statement for FY2009PF has been prepared to show the impact of the Recapitalisation as though the Recapitalisation had taken place on 30 June 2008.

The pro-forma Consolidated Balance Sheet has been prepared to show the impact of the Recapitalisation as though the Recapitalisation had taken place on 31 December 2008, and includes adjustments for forecast significant items for the six months ending 30 June 2009.

The pro-forma Financial Information should be read together with the notes and assumptions set out in Section 5.6, the risk factors set out in Section 6, the Independent Accountant's Report in Section 7 and other information in this Prospectus.

5.4 Consolidated Income Statement

The following table sets out Transpacific's historical Consolidated Income Statement for FY2008A as well as the forecast Consolidated Income Statement for FY2009F and a pro-forma Consolidated Income Statement for FY2009PF.

	Historical	Forecast	Pro-forma
A$ million	FY2008A Audited	FY2009F Unaudited	FY2009PF Unaudited
Total Revenue and Other Income	**2,190.3**	**2,206.7**	**2,206.7**
Operating EBITDA	**492.5**	**447.0**	**447.0**
Irregular Items[1]	48.0	8.7	8.7
Reported EBITDA	**540.5**	**455.7**	**455.7**
Depreciation and Amortisation	(119.1)	(144.0)	(144.0)
EBIT	**421.4**	**311.7**	**311.7**
Net financing costs	(179.9)	(187.3)	(166.8)
Profit Before Tax, Associates Borrowing and other costs and Significant Items	**241.5**	**124.4**	**144.9**
Share of Associates' NPAT	2.6	2.4	2.4
Borrowing and other costs[2]	–	(27.2)	–
Non-cash items[3]	(4.2)	(9.4)	(9.4)
Significant Items[4] (Section 5.5.2)	–	(328.4)	(328.4)
Profit/(Loss) Before Tax	**239.9**	**(238.2)**	**(190.5)**
Tax (Expense)/Benefit	(44.3)	11.7	(0.9)
NPAT/(NLAT) from ordinary operations	**195.6**	**(226.5)**	**(191.4)**
Minority Interests	(2.3)	(3.1)	(3.1)
NPAT/(NLAT) attributable to equityholders of Transpacific	**193.3**	**(229.6)**	**(194.5)**
SPS Distribution	(18.0)	(19.1)	(19.1)
NPAT/(NLAT) attributable to TPI Shareholders	**175.3**	**(248.7)**	**(213.6)**
Normalisations			
Normalisations (before tax)	(48.0)	346.9	319.7
Tax impact of normalisations	14.4	37.2	29.0
Normalisations (after tax)	(33.6)	309.7	290.7
Normalised NPAT attributable to TPI Shareholders[5]	**141.7**	**61.0**	**77.1**

1. Irregular items are recurring but may not occur each year and may also be large in size. Refer to Section 5.5.1 for details.
2. Borrowing and other costs relates to:
   - write-off of $23.2 million of capitalised costs associated with Transpacific's existing Syndicated Facility. As these facilities have been renegotiated, there will be no future benefit arising from previously capitalised costs; and
   - $4.0 million 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 are defined in Section 5.5.2.
5. Normalised NPAT attributable to TPI shareholders removes the after tax impact of irregular and significant items and borrowing and other costs. See Section 5.6.2 for the tax assumptions applying to these items.

5.5 Management Discussion and Analysis of Consolidated Income Statement

5.5.1 FY2008A Historical Consolidated Income Statement

Transpacific's FY2008A Reported EBITDA includes $48.0 million of irregular items including $22.1 million profit on sale of land as part of Transpacific's ongoing land realisation activities, a $17.0 million reversal in a remediation provision relating to a re-estimation of the expected cost of landfill remediation activities and sundry items including provision adjustments totalling $8.9 million. Excluding these items, underlying Operating EBITDA in FY2008A was $492.5 million.

Total revenue and other income for FY2008A increased 70% to $2,190.3 million and Operating EBITDA increased 63% to $492.5 million on the prior corresponding period. These results were driven by organic growth and the integration of acquisitions undertaken in FY2007A and FY2008A, including the achievement of Cleanaway synergies, a strengthened position in New Zealand via the acquisition of strategic Envirowaste assets and an expanded manufacturing footprint across Australia.

FY2008A NPAT to ordinary shareholders increased 70% to $175.3 million on the prior corresponding period. FY2008A NPAT was impacted by higher interest rates and non-cash significant items including profit on acquisitions and amortisation of the convertibles note premium as required by AAS. Refer to Section 5.5.2 for a discussion of significant items.

5.5.2 FY2009F Forecast Consolidated Income Statement

Transpacific's total revenue and other income in FY2009F is forecast to increase 1% to $2,206.7 million on FY2008A and Operating EBITDA is forecast to decrease by 9% from $492.5 million to $447.0 million. Normalised NPAT in FY2009F is forecast to be $61.0 million.

FY2009F revenue and Reported EBITDA include $8.7 million profit from the repurchase of issued convertible notes at a discount to face value.

FY2009F revenue and EBITDA by division

A breakdown of revenue and Operating EBITDA by operating division is shown below. Refer to Section 4 for a more detailed description of each division.

	Historical		Forecast	
A$ million	FY2008A	1H2009A	2H2009F	FY2009F
Sales Revenue (including PSO subsidy)				
Solid Waste	1,044.7	570.0	508.1	1,078.1
Liquid Waste	215.8	116.9	94.1	211.0
Energy	147.3	75.4	71.2	146.6
Organics and Remediation	30.3	11.3	9.8	21.1
Industrial Solutions	294.1	161.9	144.3	306.2
Commercial Vehicles	473.9	239.2	208.5	447.7
Manufacturing	73.2	57.5	41.6	99.1
Inter-company	(110.1)	(60.5)	(65.0)	(125.5)
Total Sales Revenue	**2,169.2**	**1,171.7**	**1,012.6**	**2,184.3**
Operating EBITDA				
Solid Waste	287.7	144.1	118.6	262.7
Liquid Waste	55.2	31.2	21.2	52.4
Energy	39.8	19.4	17.4	36.8
Organics and Remediation	4.7	0.6	1.0	1.6
Industrial Solutions	52.6	28.8	27.1	55.9
Commercial Vehicles	43.9	23.8	5.5	29.3
Manufacturing	8.6	7.5	3.1	10.6
Other	–	0.3	(2.6)	(2.3)
Total Operating EBITDA	**492.5**	**255.7**	**191.3**	**447.0**
EBITDA Margin				
Solid Waste	*28%*	*25%*	*23%*	*24%*
Liquid Waste	*26%*	*27%*	*23%*	*25%*
Energy	*27%*	*26%*	*24%*	*25%*
Organics and Remediation	*16%*	*5%*	*10%*	*8%*
Industrial Solutions	*18%*	*18%*	*19%*	*18%*
Commercial Vehicles	*9%*	*10%*	*3%*	*7%*
Manufacturing	*12%*	*13%*	*7%*	*11%*

Financial information (continued)

Operating EBITDA for 2H2009F ($191.3 million) is forecast to decline 25% ($64.4 million) from 1H2009A ($255.7 million). The significant changes are:

- Solid Waste earnings are forecast to decrease by 18% from $144.1 million in 1H2009A to $118.6 million in 2H2009F principally from the significant slowdown in economic activity in New Zealand, reduced waste contributions from the construction and demolition sector to landfill volumes and the decline in commodities prices for recyclable paper, plastic and metals. Transpacific's Australian Municipal and Commercial & Industrial businesses have shown some earnings contraction but the performance has been more resilient than other sub-divisions within Solid Waste;
- Liquid Waste earnings are forecast to decrease by 32% from $31.2 million in 1H2009A to $21.2 million in 2H2009F, arising from a combination of weather/seasonality effects between the two periods, extended factory closures in January and February 2009 and a decline in activity in the manufacturing sector;
- Energy earnings are forecast to decrease by 10% from $19.4 million in 1H2009A to $17.4 million in 2H2009F reflecting the disruption to margins from world oil pricing and timing effects caused by a trend towards reducing stock levels held by customers;
- Organics and Remediation earnings are forecast to increase by 67% from $0.6 million in 1H2009A to $1.0 million in 2H2009F due to the timing of projects;
- Industrial Solutions earnings are forecast to decrease by 6% from $28.8 million in 1H2009A to $27.1 million in 2H2009F due to the impact of a weaker mining sector, partially offset by organic growth and an increased earnings contribution from acquisitions completed in 1H2009A;
- Commercial Vehicles earnings are forecast to decrease by 77% from $23.8 million in 1H2009A to $5.5 million in 2H2009F primarily due to the loss in volume of new vehicle deliveries and increased product costs following the marked depreciation of the Australian Dollar and reduced availability of commercial finance to customers; and
- Manufacturing earnings are forecast to decrease by 59% from $7.5 million in 1H2009A to $3.1 million in 2H2009F due to a reduction in sales of commercial waste products through a lessened availability of commercial finance to customers and sentiment to delay capital purchases.

Significant items

Transpacific is currently expecting to report approximately $328.4 million in significant items before tax in FY2009F. The major categories of these significant items are shown in the following table:

	Historical		Forecast	
	FY2008A Audited	1H2009A Unaudited	2H2009F Unaudited	FY2009F Unaudited
Significant Items				
Impairment of listed investments	–	(46.3)	(6.2)	(52.5)
Fair value adjustment on interest rate swaps	–	(99.0)	22.6	(76.4)
Impairments under AASB 136	–	–	(154.0)	(154.0)
Provision re-estimates	–	–	(43.4)	(43.4)
Other items	–	–	(2.1)	(2.1)
Total Significant Items	**-**	**(145.3)**	**(183.1)**	**(328.4)**

Significant items discussed below are separately presented because of their size and expected infrequent occurrence:

- Impairment of listed investments relates to the fall in value of Transpacific's investment in listed securities including holdings in Dolomatrix International Limited, CMA Corporation Limited and Spotless Group Limited. The $52.5 million impairment losses reflect the mark-to-market fair value adjustment to 30 June 2009.
- The forecast FY2009F significant items include the impact of movements in the mark-to-market value of interest rate swaps. As at 30 June 2009, the fair value adjustment to the interest rate swaps was $76.4 million before tax compared to $99.0 million at 31 December 2008.
- Impairments under AASB 136 of $154.0 million pre-tax relates to the impairment of goodwill, contracts and other assets in the Solid Waste (including $125.3 million in relation to Victorian landfills and $17.2 million in relation to Victorian Steel recycling operations), Industrial Solutions, Energy, and Organics and Remediation divisions. These impairments arise from reduced expectations in relation

to projected future cashflows generated by these assets and future property disposals as a result of current economic conditions.

- Provision re-estimates in the 2H2009F period have been required due to changing economic and environmental conditions. The $43.4 million re-estimate comprises adjustments to:
  - Provisions for onerous contracts;
  - Reassessment of landfill remediation provisions; and
  - Provisions in relation to debtors and claims.
- Other items relate to litigation and redundancy expenses.

The actual value of significant items for the year ending 30 June 2009 will depend on a number of factors including valuation assumptions, interest rates and the outlook for market conditions at that date. As a result, the actual financial results may vary from the forecast Financial Information and any variation may be materially positive or negative.

5.5.3 FY2009F Pro-forma Consolidated Income Statement

The FY2009PF adjustments to reflect the Recapitalisation as having occurred on 30 June 2008 include:

- Net financing costs have decreased by 11% as a result of reduction in debt of $704 million using proceeds from the Equity Raising, and the close out of out-of-the-money interest rate hedges. The interest rate swap exposure (on debt with a face value of approximately $500 million) of approximately $40 million represents the fair value of the swap instrument settlement obligations. Pro-forma financing costs have been calculated as described in Section 5.6.2;
- Borrowing and other costs have been excluded as these are deemed to have occurred on 30 June 2008 and in any event are non-recurring; and
- Tax expense has increased by $12.7 million for the tax effect of the above two items.

5.6 Preparation of the Forecast Financial Information

The forecast Financial Information for the year ending 30 June 2009 incorporates the reviewed actual financial trading results for the six months ended 31 December 2008, and unaudited and unreviewed management accounts for the five months ended 31 May 2009.

The forecast Financial Information has been prepared using the following key assumptions, which should be read in conjunction with the Independent Accountant's Report in Section 7 and the risk factors set out in Section 6.

5.6.1 General Assumptions

- No significant change in the current economic conditions prevailing in Australia and New Zealand.
- No significant force majeure events take place.
- Exchange rate assumptions are based on actual exchange rates observed in the five months to 31 May 2009, and assumes current exchange rates for the remainder of June 2009.
- No material industrial strikes or other disturbances, environmental costs or legal claims.
- No significant change in the legislative regimes (including in relation to tax) and regulatory environments in the jurisdictions in which Transpacific or its key customers or suppliers operate which will materially impact on the forecast Financial Information.
- Retention of key personnel.
- No material acquisitions or disposals.
- No changes in accounting standards or other mandatory professional reporting requirements or the Corporations Act which would have a material effect on Transpacific's financial performance, cashflows or financial position.
- No material beneficial or adverse effects arising from the actions of competitors.
- No change in the Company's capital structure other than as set out in, or contemplated by, this Prospectus.
- No material amendment to any material agreement or arrangement relating to Transpacific's businesses. The parties to those agreements and arrangements are assumed to continue to comply with the terms of all material agreements and arrangements.

5.6.2 Specific assumptions

Net financing costs

Financing costs are forecast based on existing funding arrangements and the banking arrangements as summarised in Section 9.7. These arrangements have been renegotiated as part of the Recapitalisation process. The impact of the Amended Facility Agreement and the amendments to the USPP on financing costs is illustrated in the FY2009PF Consolidated Income Statement.

Pro-forma financing costs have been based on currently prevailing interest rates being assumed to have been paid for the entire FY2009PF period and margins payable under the Amended Facility Agreement.

FY2009PF financing costs include the impact of those interest rate swap contracts in operation during FY2009PF, after adjusting for interest rate swap contracts closed out as part of the Recapitalisation process. It also includes a charge of $13.2 million for annual borrowing costs amortisation and time value adjustments on provisions and $6.3 million of costs relating to bank guarantees.

The average cost of debt in FY2009PF is 8.5%. The average cost includes the impact of remaining interest rate swaps, excludes borrowing costs amortisation, time value adjustments on provisions and costs relating to bank guarantees and is calculated on the face value of drawn debt.

Tax

The assumed effective tax rate applying to operating earnings in FY2009F and FY2009PF is 22%. Irregular items, significant items, borrowing and other costs and pro-forma adjustments to the Consolidated Balance Sheet are assumed to be taxed at 30%, excluding items where no tax effect has been recorded.

The effective tax rate in FY2008A was 18.5%.

5.7 Consolidated Balance Sheet

The historical and pro-forma Consolidated Balance Sheet of Transpacific has been prepared as at 31 December 2008 on the basis described in Section 5.3.

		Adjustment (A)	Adjustment (B)	Adjustment (C)	Adjustment (D)	
A$ million	31 Dec 08 AAS Reported Unaudited	Net proceeds of Initial Placement and Entitlement Offer	Debt repayment/ close-out hedges/ write-off old borrowing costs	2H2009F significant items	Debt reclassification	31 Dec 08 AAS Pro-forma Unaudited
Current assets						
Cash and cash equivalents	44.1	744.0	(744.0)	–	–	44.1
Trade and other receivables	387.5	–	–	(7.6)	–	379.9
Inventories	225.4	–	–	–	–	225.4
Derivatives	1.0	–	–	–	–	1.0
Current tax assets	–	–	–	–	10.9	10.9
Other assets	11.1	–	–	–	–	11.1
Total current assets	**669.1**	**744.0**	**(744.0)**	**(7.6)**	**10.9**	**672.4**
Non-current assets						
Investments accounted for using the equity method	23.3	–	–	(3.0)	–	20.3
Other financial assets	27.4	–	–	(6.2)	–	21.2
Property, plant and equipment	1,058.7	–	–	(16.6)	–	1,042.1
Intangible assets	2,621.6	–	–	(148.9)	–	2,472.7
Deferred tax assets	75.4	7.4	(12.0)	6.0	–	76.8
Total non-current assets	**3,806.4**	**7.4**	**(12.0)**	**(168.7)**	**-**	**3,633.1**
Total assets	**4,475.5**	**751.4**	**(756.0)**	**(176.3)**	**10.9**	**4,305.5**

A$ million	31 Dec 08 AAS Reported Unaudited	Adjustment (A) Net proceeds of Initial Placement and Entitlement Offer	Adjustment (B) Debt repayment/ close-out hedges/ write-off old borrowing costs	Adjustment (C) 2H2009F significant items	Adjustment (D) Debt reclassification	31 Dec 08 AAS Pro-forma Unaudited
Current liabilities						
Trade and other payables	316.8	–	–	4.8	–	321.6
Borrowings	2,323.9	–	(680.8)	–	(1,582.8)	60.3
Current tax liabilities	5.2	(1.2)	(19.0)	4.1	10.9	–
Employee benefits	38.2	–	–	–	–	38.2
Provisions	13.8	–	–	18.6	–	32.4
Derivatives	5.1	–	–	–	–	5.1
Other	23.5	–	–	–	–	23.5
Total current liabilities	**2,726.5**	**(1.2)**	**(699.8)**	**27.5**	**(1,571.9)**	**481.1**
Non-current liabilities						
Borrowings	37.0	(28.6)	–	–	1,582.8	1,591.2
Deferred tax liabilities	34.1	–	–	–	–	34.1
Employee benefits	8.4	–	–	–	–	8.4
Derivatives	94.1	–	(40.0)	(22.6)	–	31.5
Deferred government grants	1.4	–	–	–	–	1.4
Total non-current liabilities	**175.0**	**(28.6)**	**(40.0)**	**(22.6)**	**1,582.8**	**1,666.6**
Total liabilities	**2,901.5**	**(29.8)**	**(739.8)**	**4.9**	**10.9**	**2,147.7**
Net assets	**1,574.0**	**781.2**	**(16.2)**	**(181.2)**	**-**	**2,157.7**
Equity						
Issued capital	1,342.8	784.0	–	–	–	2,126.8
Reserves	23.1	–	–	–	–	23.1
Retained earnings	190.4	(2.8)	(16.2)	(181.2)	–	(9.8)
Parent entity interest	**1,556.3**	**781.2**	**(16.2)**	**(181.2)**	**-**	**2,140.0**
Minority interest	17.7	–	–	–	–	17.7
Total equity	**1,574.0**	**781.2**	**(16.2)**	**(181.2)**	**-**	**2,157.7**

Financial information (continued)

5.7.1 Notes

Adjustment A

The net proceeds of Initial Placement and Entitlement Offer column is based on the proceeds from the Equity Raising referred to in Section 2, after the payment of costs associated with the Equity Raising and debt restructure with applicable tax benefits recorded. The table below outlines the gross proceeds and deduction of these costs. As part of this adjustment $28.6 million in costs have been capitalised to interest bearing liabilities. While these costs relate to debt facilities, they are presented in this adjustment to reflect the net allocation of all proceeds from capital raising. It does not reflect any additional proceeds from the Secondary Placement should it occur.

A$ million		2H2009F
Gross proceeds		
Entitlement Offer	$1.20 x approximately 613.8 million shares	736.6
Initial Placement	$1.80 x approximately 35.8 million shares	64.5
Gross proceeds from Entitlement Offer and Initial Placement[1]		**801.1**
Equity costs		(24.5)
Debt costs		(28.6)
USPP waiver and amendment costs		(4.0)
Net proceeds		**744.0**

1. Net issued capital recorded for accounting purposes of $784.0 million represents gross proceeds of $801.1 million net of equity raising costs after tax of $17.1 million.

A deferred tax asset of $7.4 million has been recorded for future tax deductions associated with equity raising costs of $24.5 million. A reduction in current tax liabilities of $1.2 million has been recorded on USPP costs of $4.0 million.

The adjustment has been prepared on the basis that the Shareholders at the 2009 Annual General Meeting approve the issue or transfer of Shares in settlement of the Warrants, following their exercise, thereby eliminating any cash settlement options on the exercise of the Warrants. Until this approval is received, the Warrants will contain a cash settlement feature as described in Section 9.6.4 which while active, would require these instruments to be classified as a liability under AAS, and any movements in fair value to be recorded in the profit and loss. Should Shareholder approval not be received at the AGM, these instruments will continue to be recorded as a liability and movements in fair value in the profit and loss until settlement or Shareholder approval is received.

Adjustment B

Debt repayments are based on repayment of $704 million of the existing Syndicated Facility and the closure of certain out-of-the-money interest rate hedges at a cost of $40 million (with face value of $500 million). The adjustment also reflects a write-off of $23.2 million of borrowing costs relating to the previous Syndicated Facility which no longer provides any future benefit to the Company, and associated tax benefits. Adjusting for the debt costs of $23.2 million, the net adjustment to debt reduces from $704 million to $680.8 million.

A deferred tax asset of $12.0 million has been transferred to a reduction in current tax liabilities as the settlement of hedge liabilities of $40 million is now realised for tax purposes. In addition to this the write-off of $23.2 million in borrowing costs will allow an immediate tax deduction of $7.0 million. Total cumulative current tax benefits of $19.0 million results.

Adjustment C

Adjustments for 2H2009F impairments and certain significant items are set out in the following table and discussed in Section 5.5.2:

A$ million	2H2009	Impairment of listed investments	Fair value adjustment of interest rate swaps	Impairments under AASB 136	Provision re-estimates	Other items
Doubtful debts	7.6				7.6	
Impairment of equity accounted investments	3.0			3.0		
Impairment of listed investments – post 31 December 2008	6.2	6.2				
Property, plant and equipment	16.6			2.1	14.5	
Intangible assets – Impairments under AASB 136	148.9			148.9		
Trade and other payables – sundry liabilities	4.8				4.8	
Provision re-estimates	18.6				16.5	2.1
Fair value adjustment on interest rate swaps – post 31 December 2008	(22.6)		(22.6)			
Total	**183.1**	**6.2**	**(22.6)**	**154.0**	**43.4**	**2.1**
Tax benefit	(1.9)					
Total impact on net profit	**181.2**					

For *Impairments under AASB 136* and listed investments, no applicable future income tax benefit has been recognised.

Adjustment D

The reclassification adjustment reclassifies certain debt to non-current following the waiver of the defaults by the banks and USPP note holders and the extension of the Syndicated Facility. It also reclassifies the pro-forma tax refund at 31 December 2008 to assets.

Other than noted above, no adjustments have been made to reflect the effects of trading since 31 December 2008. No adjustments have been made to reflect the impact of any business combinations since 31 December 2008. All acquisitions completed in the half year to 31 December 2008 have been provisionally accounted for.

5.8 Management discussion and analysis of Historical Consolidated Balance Sheet

Inventories

Inventories consist primarily of commercial vehicles, manufacturing work in progress and recycled oil. Inventories increased by $60 million between 30 June 2008 and 31 December 2008, principally due to an increase in commercial vehicles on hand and in-transit which were impacted by shipping schedules and the delivery backlog of vehicle orders.

Property, Plant and Equipment

Property, plant and equipment consists of:

(a) $184 million of landfill land and unamortised cell development assets. Of the $184 million, the carrying value of land itself represents approximately $100 million. Land is carried at directors' valuation and is significantly less than the independent valuation at 30 June 2008;

(b) $77 million provision for remediation in respect of (a);

(c) $298 million of land (excluding landfill land noted in (a) above) and buildings. Land and buildings were revalued in the 30 June 2008 financial statements to fair value provided by an independent valuer;

(d) $573 million of plant and equipment including motor vehicles; and

(e) $81 million of capital work in progress.

As noted in Sections 5.5.2 and 5.7.1 (Adjustment C), Transpacific is anticipating impairments under AASB 136 of $2.1 million and provision re-estimates of $14.5 million for the year ending 30 June 2009.

Intangible Assets

Intangible assets consist largely of goodwill on acquisitions of $2,082 million. Other intangible assets include landfill airspace ($332 million), patents and licences ($75 million) and other intangibles including customer contracts and capitalised software ($133 million).

As noted in Sections 5.5.2 and 5.7.1 (Adjustment C), Transpacific is anticipating impairments under AASB 136 of $154.0 million pre-tax, of which $148.9 million relates to Intangible Assets, for the year ending 30 June 2009.

Borrowings

As shown in the Consolidated Income Statement, the 1H2009A interim result included a non-cash, mark-to-market adjustment of $99.0 million (before tax) in relation to certain interest rate swap instruments.

As the mark-to-market of interest rate swap instruments were captured in the definition of net debt under Transpacific's USPP covenants, Transpacific was in breach of its USPP net debt/EBITDA covenant as at 31 December 2008. The breach of covenant under the USPP documentation triggered cross-default provisions under the Syndicated Facility.

As a result, all of Transpacific's debt under its Syndicated Facility, USPP, convertible notes and lease liabilities were classified as current liabilities as at 31 December 2008.

5.9 Pro-forma impact of the Recapitalisation on Transpacific's debt profile

The proceeds from the Equity Raising will enable Transpacific to refinance its existing $2,095 million Syndicated Facility by amending and restating it as a $1,435 million facility in accordance with the Amended Facility Agreement, close-out approximately $500 million (face value) of interest rate swap contracts, and pay the costs of the Equity Raising, the Secondary Placement and debt refinancing. This will result in the Company reducing its total debt by at least $704 million, and extending the terms of the balance of bank debt into new four and five year tranches, with no syndicated debt refinancing required until July 2013 and no refinancing requirements at all until at least September 2012 when USPP note holders may require the USPP notes be repaid. Refer to the risk factors in Sections 6.2.1 "Conditionality of the Cornerstone Investor's investment" and 6.2.2 "Inability to complete the Equity Raising". For further information on the Amended Facility Agreement, see Section 9.7.1.

Following the partial prepayment of the Syndicated Facility, Transpacific will have commitments from the lenders under the Amended Facility Agreement of $1,435 million in several tranches which are repayable in accordance with the table below.

Facility	Current Total Value (A$ million)	Value Post Refinancing (A$ million)	Value Post December 2010	Current Maturity	Restructure
A	$378	$372	$422	Dec 2009	Extended to Jul 2014 Increased from A$378 million to A$422 million as from repayment of Facilities C and D
B	$317	–	–	Dec 2009	Repaid in full from Offer Proceeds
C & D	$1,400	$1,063	–	Dec 2010	Restructured with the balance repaid in December 2010
E	–	–	$601		Facility E established maturing Jul 2013
F	–	–	$412		Facility F established maturing Jul 2014
Total	**$2,095**	**$1,435**	**$1,435**		

The lenders that participated in Facilities A, E and F (continuing participants) have provided commitments at least equal to the value of Facilities C and D. On the date that Facilities C and D mature, Facilities A, E and F are drawn.

Other debt facilities of the Company include:

Facility	Current Total Value (A$ million)	Value Post Refinancing (A$ million)	Current Maturity	Restructure
USPP – 5 year tenure	$115	$115	Sep 2012[1]	No change
USPP – 10 year tenure	$54	$54	Sep 2012[1]	No change
Convertible Notes	$309	$309	Dec 2012[2]	No change
Total	**$478**	**$478**		

1. USPP lenders have the right to put the December 2012 and December 2017 debt as at September 2012.
2. On 7 December 2012, holders of convertible notes have the right to request redemption (as shown above). However the final maturity date of the convertible notes is 7 December 2014.

The table below illustrates the estimated impact of Transpacific's debt maturities profile as if the transactions had occurred on 31 December 2008 for facility, USPP and convertible notes debt only.

As at 31 December 2008 $ million	Transpacific actual	Pro-forma adjustment for Entitlement Offer	Pro-forma adjustment for debt restructure	Transpacific pro-forma post Entitlement Offer and debt restructure
Less than 12 months	$695	($367)	($328)	–
One year to two years	$1,400	($337)	($1,063)	–
Two years to three years	–	–	–	–
Three years to four years	$478	–	–	$478
Four years to five years	–	–	$601	$601
Five years to six years	–	–	$834	$834
Total facilities	**$2,573**	**($704)**	**$44**	**$1,913**

5.10 Dividend policy

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 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. Further details regarding these restrictions are set out in Section 9.9.2 and the details of the Process Deed and Amended Facility Agreement in Sections 9.6.1 and 9.7.1.

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 prevailing economic conditions, capital expenditure requirements and opportunities, acquisition opportunities and debt management.

Commercial Vehicles

Section 6

Key risk factors

Key risk factors

6.1 Introduction

This Section identifies the areas that are believed to be the major risks associated with an investment in Transpacific Shares. Prospective investors should note that this list of risks is not exhaustive.

There are a number of risks, specific to an investment in Transpacific Shares and Transpacific itself as well as other general investment risks, which may materially affect the performance and value of Transpacific Shares. Many of these risks are difficult to predict and are outside the control of Transpacific and its Directors. There can be no guarantee that Transpacific will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate. This may have an adverse effect on the value of Transpacific Shares.

An investment in Transpacific Shares should be considered in light of these risks, both general and specific. Each of the risks set out below could, if they eventuate, have a material impact on Transpacific and the value of Transpacific Shares.

The risks and uncertainties described below are not the only ones facing Transpacific. Additional risks and uncertainties that Transpacific is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Transpacific's business, financial condition and results of operations. Accordingly, no assurances or guarantees of future performance, profitability, distributions or return on capital are given in respect of Transpacific.

Prior to making an investment decision, prospective investors should read the entire Prospectus and carefully consider the following risk factors. Investors should have regard to their own investment objectives and financial circumstances and should seek professional guidance from their stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest.

6.2 Risks associated with the Equity Raising

6.2.1 Conditionality of the Cornerstone Investor's investment

Pursuant to the Subscription Agreement, the obligations of the Cornerstone Investor do not become binding unless as at the Institutional Settlement Date:

- all ASIC and ASX waivers and approvals necessary or desirable to implement the Equity Raising have been obtained and have not been withdrawn, revoked or amended;
- debt amendments and waiver agreements with Transpacific's syndicated debt financiers and USPP noteholders extending the Syndicated Facility, amending the Syndicated Facility and the USPP and waiving previous breaches of the Syndicated Facility and USPP are binding, effective and unconditional;
- the Underwriting Agreement, Sub-underwriting Agreement and Escrow Agent Agreement are binding and effective, and no circumstances exist which in the reasonable opinion of the Cornerstone Investor would entitle any party to any of the agreements to terminate it or result in a condition to any of the agreements not being fulfilled;
- the Joint Lead Managers confirm in writing to the Cornerstone Investor that the Joint Lead Managers will pay the aggregate amount for all Shares offered under the Entitlement Offer as required by the Underwriting Agreement; and
- there is no material breach of representations and warranties given by Transpacific in the Subscription Agreement or any other term of the Subscription Agreement or the Process Deed by Transpacific.

Therefore, the Cornerstone Investor's participation in the Recapitalisation of the Company through the Initial Placement, the Entitlement Offer and its sub-underwriting of part of the Entitlement Offer is subject to these conditions being satisfied or waived on or before the Institutional Settlement Date.

Transpacific will announce the status of those conditions on the trading day following the Institutional Settlement Date.

These conditions and other details regarding the Subscription Agreement are set out in Section 9.6.1.

6.2.2 Inability to complete the Equity Raising

There is a cross-dependency between the waiver of the breaches under the USPP and the Syndicated Facility and the completion of the investment by the Cornerstone Investor and the Equity Raising.

The Entitlement Offer is underwritten by the Joint Lead Managers, and a portion of the Institutional Entitlement Offer and all of the Retail Entitlement Offer is being sub-underwritten by the Cornerstone Investor. The Subscription Agreement, Underwriting Agreement and Sub-Underwriting Agreement may be terminated in certain circumstances. These circumstances are different for the period prior to and including the Institutional Settlement Date and after the Institutional Settlement Date.

The Subscription Agreement, Sub-Underwriting Agreement and Underwriting Agreement are conditional on each other, meaning that if one is terminated, the others may be terminated. The Initial Placement is also conditional on settlement of the Institutional Entitlement Offer proceeding on the Institutional Settlement Date.

Key conditions and termination events under the Underwriting Agreement for the period prior to and including the Institutional Settlement Date and after the Institutional Settlement Date are detailed in Section 9.5. Details of the Initial Placement to the Cornerstone Investor and Sub-Underwriting Agreement are detailed in Section 9.6.

Further, as shown under "Significant items" in Section 5.5.2, the 1H2009A interim result included a non-cash, mark-to-market adjustment of $99.0 million (before tax) in relation to certain interest rate swap instruments.

As the mark-to-market of interest rate swap instruments were captured in the definition of net debt under Transpacific's USPP covenants, Transpacific was in breach of its USPP net debt/EBITDA covenant as at 31 December 2008. The breach of covenant under the USPP documentation triggered cross-default provisions under the Syndicated Facility.

As a result, all of Transpacific's debt under its Syndicated Facility, USPP, convertible notes and lease liabilities were classified as current liabilities as at 31 December 2008.

Transpacific has entered into amendment and waiver agreements with respect to the Syndicated Facility and USPP which provide for the waiver of all identified past breaches of the Syndicated Facility and USPP. The proposed waivers are conditional upon a number of conditions, including the raising of at least $800 million from the Equity Raising. See Sections 9.7.1 and 9.7.2 for further details.

Should any of the conditions of the Subscription Agreement (as outlined above in Sections 6.2.1 and 9.6.1) or any part of the Equity Raising not be completed, Transpacific will not be able to pay down the amount of debt as agreed with its debt providers and therefore, Transpacific will not obtain a waiver of the breaches to its USPP and Syndicated Facility as outlined above.

This will require Transpacific to re-enter negotiations with debt and equity providers and there can be no guarantee that these negotiations will be successful.

6.3 Operational risks – Transpacific business specific

6.3.1 Macroeconomic factors

Transpacific sells its services and products to individuals, companies and government authorities. Factors which may impact on the ability to sell Transpacific's services and products include:

- economic conditions influencing the level of disposable income that customers have to pay for those services and products;
- economic conditions influencing the level of earnings for businesses and income for households which reduce the waste they dispose of;
- fluctuation in commodities markets and economic conditions affecting the volume of waste produced by the mining, manufacturing, housing and construction and heavy vehicle industries and other industries serviced by Transpacific;
- fluctuation in commodities markets for recycled materials (e.g. metals, plastic, cardboard, paper etc.) affecting the level and volatility of earnings, in particular in the Solid Waste division;
- government policy and enforcement of responsible waste management and other environmental concerns;

- government spend on commercial vehicles supplied by Transpacific, such as buses;
- interest rates and housing prices and any other economic and household disposable income factors affecting the financial circumstances of purchasers; and
- government policies and external events affecting trade.

Changes in general macroeconomic factors may result in customers changing spending patterns or their level of consumption, which may have a material impact on the demand for Transpacific's services and a consequent material adverse impact upon Transpacific's operating and financial performance and cashflows.

6.3.2 Competition

A number of entities compete with Transpacific in the solid, liquid and hazardous waste industries and industrial solutions, energy and manufacturing and while Transpacific is a large supplier of some specific services, in overall size, some of these competitors may have or develop competitive advantages over Transpacific and may be larger on an international or regional basis and have greater access to capital and other resources. Similarly, there are a number of major participants in the commercial vehicle industry, which compete with Western Star and MAN through their own outlets and dealer networks. In fact, Transpacific is a relatively small participant in the medium-heavy duty truck and bus markets and may therefore be more vulnerable to the actions of competitors than Transpacific's operations in the industrial services and waste management industries.

The market share of Transpacific's competitors may increase or decrease as a result of various factors such as securing major new contracts or Transpacific failing to obtain renewals of current major contracts, developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices that Transpacific is able to charge for its services and products or reduce Transpacific's activity levels, both of which would negatively impact the financial performance of Transpacific and its cashflows.

6.3.3 Sustainability of growth and margins

Transpacific has historically achieved strong growth in revenue and profits for the financial years up to and including 30 June 2008. The current financial year has been a difficult one. The future prospects for growth and the level of profit margins from operations, beyond the current financial year, are dependent on a number of factors outside of Transpacific's control. Transpacific has made numerous major and bolt-on acquisitions since listing on ASX in 2005 which has been a factor driving growth in its businesses. There is no guarantee that Transpacific will continue to be able to source and successfully execute similar acquisitions to drive growth in that manner. There will also be a greater emphasis on growing the business organically in the near future combined with strategic acquisitions.

The revenues for the business divisions of Manufacturing, Municipal (Solid Waste) and Industrial Solutions, together with commercial vehicle sales, can be impacted significantly by the award of large contracts to Transpacific or its competitors, as well as external factors such as the overall health of the economy, legislation changes, exchange rate movements and the impact of commodity prices on key targeted industries. These factors and others may impact the level of contracted work, commercial vehicle sales and the margins achieved across each of Transpacific's business divisions.

Industry margins in all of the sectors in which Transpacific operates are likely to be subject to continuing but varying margin pressures. There is no assurance that the historical performance of Transpacific is indicative of future operating results. However, Transpacific's business strategies and its diversification across a range of sectors assist in reducing the short-term pressures that can occur as new entrants or existing competitors attempt to secure positions in an individual industry sector.

6.3.4 Commodity prices

Transpacific is a significant seller and purchaser of petroleum products, and is therefore exposed to changes in the prices of such petroleum commodities, particularly oil and diesel fuel.

Transpacific is also a seller into a number of recycled materials commodity markets such as the metals, scrap metals, plastics, cardboard, paper, recycled oil and base oil markets. Fluctuations in the commodity pricing for such recycled materials may have a material impact on the Group's financial performance and cashflows, particularly in the Energy division and logistics intensive divisions such as Solid and Liquid Waste.

6.3.5 Exchange rates

Adverse movements in exchange rates, in particular A$:Euro and A$:US$ movements, relating to either finished product or raw material costs or increased price competitiveness in response to movements in exchange rates may have a material impact on the operational and financial performance and cashflows of Transpacific across its businesses, particularly in relation to its Commercial Vehicles division.

The majority of the Commercial Vehicles division's products sold into the Australian market are sourced offshore and consequently may be exposed to rapid and material movements in exchange rates, in particular the A$:Euro and A$:US$. With respect to the Commercial Vehicles division, Transpacific does not have a formal hedging policy to protect itself from adverse movements in the exchange rates, however, it does have arrangements with its dealers (for Western Star products) and supplier (for MAN products) to mitigate the effects of exchange rate movements in respect of its Commercial Vehicles division. If these arrangements are terminated, or lapse, Transpacific may face increased exposure to exchange rate movements.

Transpacific has significant operations in New Zealand. Movements in the A$:NZ$ exchange rate can adversely affect the A$ translated financial performance of Transpacific in relation to its New Zealand operations.

6.3.6 Environmental

Transpacific's operations are subject to extensive Federal, State and local environmental laws and regulations in Australia and New Zealand. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for violation of such standards.

Transpacific is subject to all the hazards, risks and potential liabilities normally incidental to the industries that it operates in, being the solid, liquid and hazardous waste, and industrial solutions industries, as described in this Prospectus. This includes licensed landfills in most states of Australia and New Zealand. These landfill sites include prescribed contaminated waste landfills with stringent environmental and site licence conditions imposed by the relevant environmental and local authorities.

Significant liability could be imposed on Transpacific for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage (including in certain cases damage caused by previous owners of property acquired by Transpacific) or non-compliance with environmental laws or regulations. Major non-compliance with environmental laws or regulations may require Transpacific to incur significant costs and may have a significant material impact on Transpacific's reputation and capability to secure additional work, impacting its financial performance and cashflows. It is Transpacific's policy that specific remediation and other provisions are raised to provide for these and other costs specifically required to meet its environmental obligations as soon as these costs are known. This includes costs associated with the closure and remediation of sites owned and/or operated by Transpacific. These costs are reviewed and updated on at least an annual basis in the financial statements.

In order to properly manage its environmental obligations and risks, Transpacific has built its own internal environmental team of experienced industry professionals. Transpacific also engages external specialists to assist from time to time as appropriate. Transpacific has developed and implemented an environmental management system to assist in this process. Through this system, the environmental team identifies and manages potential environmental impacts, tracks compliance with legislation, defines organisational environmental responsibilities, implements management measures to prevent pollution and mitigates any impacts.

A number of State and local governments have imposed landfill levies, payable on the dumping of waste into landfills. Were these costs to escalate, the volume of waste that Transpacific collects and processes may be affected. The Company has taken steps to develop alternate waste processing and treatment businesses, including recycling and reprocessing, to mitigate this impact.

Impact of a Carbon Pollution Reduction Scheme ("CPRS")

The Australian Government has announced that it will adopt legislation establishing a Carbon Pollution Reduction Scheme to commence on 1 July 2011. The exposure draft of the Carbon Pollution Reduction Scheme Bill was released on 10 March 2009 and operational regulations are expected to be released later in the year. Transpacific has established a project team of industry specialists who are currently working to quantify the likely impacts of the scheme's introduction based on interpretations of the legislation currently available and bearing in mind that some operational interpretations are still outstanding. At this stage, a great deal of data required is outstanding in order to make a meaningful comment. Measurement options are also being considered and these are also uncertain under the current operational interpretations.

Key risk factors (continued)

A synopsis of the potential impacts on the waste industry and Transpacific as a significant entity in that industry are:

Thresholds/Coverage – Scheme obligations will apply to landfills that emit >25,000 tonnes CO_2-e annually. To avoid waste displacement, a lower participation threshold of 10,000 tonnes of CO_2-e will apply to landfill facilities that are operating in close proximity to another landfill, accepting similar classifications of waste. Landfills closed prior to 30 June 2008 will be excluded from the scheme.

Liabilities – Liabilities will only apply to emissions from new waste deposited after the CPRS (or its equivalent) commences. Emissions from waste deposited prior to scheme commencement will be excluded from scheme liabilities. However, legacy emissions will continue to count towards a landfill facility's threshold in order to ensure broad coverage of new waste emissions.

Measurement – Within the waste sector there is not a generally accepted method for measuring or estimating landfill gas emissions. The methods approved for use in the CPRS are dependent upon default parameters of high uncertainty or require actual measurements that, using presently available technology, cannot be accurately taken at reasonable expense. At present the world's best practice techniques for measuring the amount of gas emanating from a landfill still has a margin of error of at least 30% and remains subject to significant debate.

Notwithstanding, given the existing uncertainties and current stage of data gathering, it is very difficult, at this time, to reliably quantify the likely impacts of the CPRS both on the waste industry generally or Transpacific specifically. Depending upon the final terms of the legislation and regulations, those impacts could be substantial.

6.3.7 Climate conditions

Climate conditions, particularly drought, flood and fire, may affect demand for the services provided by Transpacific and may also impact the affordability of these services to key customer sectors such as the agriculture and horticulture industries. In urban communities, lack of rainfall has a significant impact on the generation of oily water and contaminated run-off water requiring treatment and disposal.

Accidents, incidents and catastrophes, such as fire, flood or cyclones, necessitating emergency response capability, may have a positive impact on demand for Transpacific's services.

6.3.8 Major customers and dealers

Any adverse change in the existing relationships with Transpacific's major customers and dealers could have a material adverse impact on its ability to achieve financial forecasts.

Factors which may affect Transpacific's major customer relationships include:

- macroeconomic factors – see Section 6.3.1;
- competition – see Section 6.3.2;
- the margins charged for Transpacific's products and services – see Section 6.3.3;
- non-compliance with policies – see Section 6.3.24;
- technology – see Section 6.3.16; and
- the general risks set out in Section 6.4.

Factors which may affect Transpacific's dealer relationships include:

- product quality – Transpacific is reliant on the continuing quality of Western Star and MAN products which it imports but does not manufacture;
- timely delivery – Disruption to any aspect of Transpacific's supply chain (including that of its suppliers) could have a material adverse impact on its operational and financial performance;
- changes in key supply arrangements – The termination of key supply arrangements with Freightliner (Western Star) and MAN or changes in their terms and conditions could have an adverse impact on Transpacific's ability to source product at a reasonable cost;
- customs duty – Western Star and MAN are imported products and as such are subject to customs duty. Any adverse change in customs duty, including a change to the US Free Trade Agreement Implementation Act 2004 (Cth) which causes a change to the customs duty applicable to the importation of "trucks and road tractors for semi-trailers", may impact Transpacific's ability to achieve financial forecasts; and

- changes overseas – Any change to the operating environment of Western Star and MAN, including economic or political change, could impact the supply of Western Star and MAN products to Transpacific.

6.3.9 Loss of key personnel

Transpacific's operations are dependent upon a stable workforce. In particular, the senior management team has accumulated extensive experience in Transpacific's operations. Transpacific's operations are dependent upon the continued performance, efforts, abilities and expertise of its key management personnel. The loss of services of such personnel could have a material adverse effect on the operations and finances of Transpacific as Transpacific may not be able to recruit suitable replacements for the key personnel within a short timeframe.

6.3.10 Western Star Trucks and MAN relationship

Transpacific derives its rights and entitlements to exclusively import, promote and sell Western Star trucks and parts in various territories from its importer agreement with Western Star Trucks Inc, a subsidiary company of Freightliner LLC (a Daimler AG entity).

Transpacific derives its rights and entitlements to exclusively import, promote and sell MAN products including trucks, buses and parts in various territories from its agency agreement with MAN Nutzfahrzeuge, a German company.

If either of these agreements ceases or is terminated for any reason or any other party does not comply with their obligations under the agreements, this could have a material adverse effect on Transpacific's financial performance and cashflows.

Additionally, changes in general economic conditions and exchange rates may result in customers of the Commercial Vehicles division changing spending patterns which may have a material impact upon Transpacific's operating and financial performance and cashflows. This may to some extent be offset by refurbishment of second-hand vehicles.

6.3.11 Operational risk

In the performance of its businesses, Transpacific will be exposed to a range of operational risks related to both current and future operations. These risks include, but are not limited to, such things as equipment failures and other accidents, general operational and business risks, including risk of loss of (or losses on) major contracts, cost overruns, information technology system failure, industrial action or disputes, adverse media coverage, lease renewals, damage by third parties, floods, fire, major cyclone, earthquake, terrorist attack, outbreak of disease or other disaster. Transpacific endeavours to take appropriate action or take out appropriate insurance to mitigate these risks. However, investors should realise that certain residual risk will remain with Transpacific regardless of the steps the management might take to mitigate these risks. One or more of these risks may have a material adverse impact on the ability of Transpacific to achieve its financial forecasts and on Transpacific's financial performance, financial position and cashflows.

6.3.12 Occupational health and safety risk and industrial incidents

Transpacific's operations involve risk to both property and personnel. An industrial incident may occur that results in serious injury or death, damage to property or contamination of the environment, which may have a material adverse effect on Transpacific's reputation and future financial performance and position.

Transpacific has an occupational health and safety policy that strives to ensure best practice. Notwithstanding the existence of the policy and the best efforts to enforce the policy, there remains a risk of a breach which could give rise to penalties, prosecutions and compensation claims.

6.3.13 Industrial disputes

Transpacific is exposed to the risk of industrial disputes arising from claims for higher wages or better conditions which could disrupt parts of Transpacific's business which may have a material adverse impact upon the Company's operating and financial performance and cashflows.

Transpacific has a number of collective agreements with employees, the majority registered and some unregistered. The further negotiation of the unregistered collective agreements or the renegotiation of registered collective agreements on their expiry may result in industrial disputation and/or future wage and remuneration increases. This may have a material impact on Transpacific's operating and financial performance and cashflows.

Key risk factors (continued)

6.3.14 Outsourcing risk

The level of activity undertaken by Transpacific's Industrial Solutions, Liquid and Hazardous Waste and Solid Waste divisions depends to a large extent on the continuation of the current trend towards the outsourcing of non-core functions by potential clients. If this trend does not continue or reverses, it may impact Transpacific's prospects for growth.

6.3.15 Regulatory risk

Changes to industrial relations laws – The Federal Government has recently introduced significant changes to industrial relations laws and the employment landscape in Australia. This legislation is likely to impact on the terms and conditions of employment of Transpacific's employees and statutory compliance by Transpacific. This may have a material impact on the costs, cashflows and financial performance of the Group.

General – Material changes to State and Federal laws that impact on the Company's businesses may have a material impact on the costs, cashflows and financial performance of the Group.

6.3.16 Technology risk

Transpacific has explored, and will continue to consider, the introduction of new technologies into its businesses in order to improve its business and to undertake its business more efficiently and effectively in addition to growing its business. There is a risk that certain aspects of projects could be compromised by technological failures or difficulties. This may have a material adverse impact on costs, cashflows and the financial performance of Transpacific.

6.3.17 Financing risk

Transpacific as a significant borrower of monies, is potentially exposed to adverse interest rate movements that may increase the financial risk inherent in its business. Transpacific has a formal hedging policy and hedges a minimum of 40% of its borrowings. There is no guarantee that such hedges will be effective. Therefore there can be no assurance that Transpacific will successfully manage its interest rate risk or that changes in interest rates will not have a material adverse effect on the business, financial condition or results of operations of Transpacific.

Transpacific is also exposed to the availability of credit facilities and the terms of those credit facilities. In the current economic climate where the global economy is experiencing a downturn, there has been an increase in the costs of funding and a reduction in the availability of some sources of debt and equity funding, including to refinance existing facilities, which may have an adverse impact on Transpacific's operations and performance. In particular this may impact Transpacific's ability to finance the significant upfront capital expenditure typically required at the commencement of large municipal contracts.

There is a risk that if Transpacific's future earnings are adversely affected, for whatever reason, and there is no corresponding reduction in Transpacific's indebtedness, a breach of covenant under Transpacific's finance facilities may result which may lead to repayment of such facilities being accelerated. In this respect, maintenance of existing debt terms are dependent upon compliance with agreed covenants which may be affected by financial performance, impairments and mark-to-market adjustments.

6.3.18 Counterparty contractual risk

As in any contractual relationship, the exercise of Transpacific's rights thereunder are dependent upon Transpacific's ability to comply with its obligations, and the relevant counterparty complying with its contractual obligations. Transpacific is therefore exposed to the ongoing operations and solvency of a large number of businesses. The spread and diversity of Transpacific's customer base partially mitigate this risk.

If a counterparty terminates an agreement in relation to petroleum products or plant and equipment, Transpacific may lose the benefit of the agreement and additionally may not be able to obtain similarly favourable terms upon entry into replacement agreements (if at all) and, in some circumstances, replacement agreements may not be a feasible alternative. The losses associated with the termination of such agreements may have an adverse impact on the financial performance of Transpacific.

6.3.19 Insurance risk

Transpacific currently has in place a number of insurance policies which allow it to transfer part of the risk to an insurer. Due to the uncertainty in the insurance market, Transpacific cannot guarantee that it will be able to maintain or renew the current insurances due to a number of reasons, which may include inappropriate pricing, policy terms or conditions. The occurrence of an event that is not fully covered, or covered at all, by insurance, may have an adverse effect on Transpacific's future financial performance and position. Transpacific self-insures its motor vehicle fleet (excluding Third Party Personal Injury and Property Damage) and environmental risks. Transpacific is also self-insured for Workers' Compensation in Australia through the Comcare licensing arrangements under the Safety, Rehabilitation & Compensation Act 1988 (Cth).

6.3.20 Legal claims

Transpacific is exposed to potential legal and other claims or disputes in the course of its businesses, including contractual disputes, property damage and personal liability claims and governmental enquiries and investigations, with respect to its operations. In relation to governmental enquiries and investigations, these may be initiated by, among others, the ACCC, the Commerce Commission in New Zealand, the ATO, Environmental Protection Agencies (at a State or Federal level), ASIC, ASX and other State and Federal government authorities or regulators.

A summary of current material litigation against the Group is set out in more detail in Section 9.11.

6.3.21 Acquisition risk

To the extent that Transpacific continues to grow through acquisition, it will face operational and financial risks commonly encountered with such a strategy, including, but not limited to, ability to access finance to undertake further acquisitions, continuity or assimilation of the operations and personnel of the acquired business, dissipation of Transpacific's limited management resources and impairment of relationships with employees and customers of the acquired businesses as a result of changes in ownership and management. In addition, depending on the type of transaction, it may take a substantial period of time to completely realise an acquisition's full benefit.

6.3.22 Risks relating to joint ventures

Transpacific is involved in a number of joint ventures. There is always a risk of disputes with joint venture parties and a risk that, notwithstanding appropriate safeguards, joint venture parties may experience financial or other difficulties with consequential adverse effects for the relevant project or asset.

6.3.23 Product and services liability

There is a risk that Transpacific may fail to fulfil its statutory and contractual obligations in relation to the quality of its products and services, which could give rise to contractual or statutory penalties.

6.3.24 Non-compliance with policies, laws and regulatory provisions

Transpacific has a number of policies and codes of conduct including:

- Code of Conduct addressing compliance with laws and regulations;
- Trade Practices and ACCC Policy;
- Occupational Health and Safety Policy;
- New Zealand Fair Trading Policy;
- Environmental Policy;
- Securities Trading Policy; and
- Whistleblower Policy.

These policies are designed to ensure that Transpacific complies, and that third parties with whom Transpacific has dealings (for example, suppliers of products) comply, with applicable laws, regulations and community expectations in the conduct of their operations in Australia and New Zealand.

There is a risk that, due to the size of Transpacific, there may be instances of non-compliance with these policies, the laws and other regulatory provisions by businesses operated or acquired by Transpacific. Also, while Transpacific seeks to ensure that the relevant third parties with whom it has dealings are aware of and comply with the relevant policies, laws and other regulatory provisions, there is a risk that such third parties may not comply with the policies. Non-compliance with Transpacific policies, laws and other regulatory provisions may have an adverse impact on the business, reputation or financial position of Transpacific.

If there is or has been any material non-compliance by Transpacific personnel or third parties with the terms of its policies or codes of conduct, the laws and other regulatory provisions, this could result in prosecutions or other regulatory action and such action may have a material adverse impact on Transpacific's reputation, financial performance and its ability to maintain or retain major contracts across its businesses. Having regard to the business conducted by the Company, such prosecutions (or investigations and enquiries) may be initiated by, among others, the ACCC, the Commerce Commission in New Zealand, the ATO, Environmental Protection Agencies (at a State or Federal level), ASIC, ASX and other State and Federal government authorities or regulators.

6.3.25 Mark-to-market risk

There is a risk that the current carrying value of hedge contracts, listed investments and Warrants to be issued under the Equity Warrant Deed may need to be written down due to periodic mark-to-market adjustments required by relevant accounting standards. This may have a material adverse impact on Transpacific's financial position. While no material mark-to-market write-downs are currently anticipated, except for those detailed in Section 5 in relation to the financial year ending 30 June 2009, should such a charge be required in the future, this may have a material adverse impact on Transpacific's reported financial performance and position.

6.3.26 Goodwill impairment risk

There is a risk that the current carrying value of past acquisitions in the accounts of Transpacific may need to be treated as impaired, in accordance with relevant accounting standards, if the carrying values do not reflect current valuations of those assets. Transpacific is currently testing the carrying value of goodwill, doubtful debts, contracts and listed securities in its accounts to determine if any impairment charges are required. Details of expected impairments for the financial year ending 30 June 2009 are contained in Section 5.5.2 and were announced to the market through ASX on 9 June 2009. In addition, should further charges be required in the future, this may have a material adverse impact on Transpacific's reported financial performance.

6.3.27 Credit risk

Transpacific provides credit terms to certain customers in the ordinary course of its business. The inability of its customers to pay their debts may have a material adverse impact on Transpacific's financial performance. Further, Transpacific may need to incur additional costs in order to pursue customers who default on payment terms. Transpacific cannot guarantee that it will be able to recover inventory items from customers in default, in which case it may be required to write-off assets.

6.3.28 Tax risk

Any change to the current rate of company income tax in jurisdictions where Transpacific operates or changes to cross-border transaction structures may impact on Transpacific's financial performance and cashflows, ability to pay dividends and the Share price. The tax treatment of the return on any securities or other instruments issued by Transpacific, and payment of any resultant tax gross-up obligation, may have an impact upon Transpacific's financial performance and cashflows. Any changes to the current rates of income tax applicable to individuals and trusts will similarly impact Shareholder returns. In addition, any change in tax arrangements between Australia and other jurisdictions could have an adverse impact on future NPAT, net operating cashflows and the level of dividend franking.

Any investigations or audits carried out by the tax authorities in the jurisdictions in which Transpacific operates may have an impact on the financial performance and cashflows of Transpacific, depending on the result of such investigations or audits.

6.3.29 Capital expenditure risk

Transpacific's forecasts are based on certain assumptions in relation to the level of capital expenditure required to maintain or improve assets. If the level of capital expenditure required is higher or is needed sooner than anticipated or if capital expenditure required to generate forecast earnings is not undertaken or if there is a significant operational failure requiring unplanned capital expenditure, the financial performance of Transpacific may be adversely affected. Unplanned capital expenditure may also be required as a result of changes in the environmental regulations that apply to Transpacific.

It is expected that landfills operated by Transpacific will require substantial capital expenditure for cell development in the future which may have an impact on the financial performance and cashflows of Transpacific's businesses to the extent that they depend upon the availability of those landfills.

6.3.30 Future land sales

Land sales have previously been a source of earnings for Transpacific. There is no certainty that earnings from future land sales will be realised or continue at the same level. The carrying values of land assets in Transpacific's accounts are subject to fluctuation and depend on property market conditions. If future sales are not realised or are realised at a lower level than previously, there may be a negative effect on Transpacific's financial performance, and may result in impairment losses being recognised.

6.4 General risks

6.4.1 Share market fluctuations

As with any share investment, the market price of Transpacific Shares may rise or fall due to numerous factors including:

- general economic conditions, including inflation rates and interest rates;
- variations in the local and global market for listed shares, in general or for the Company's Shares in particular;
- changes to government policy, legislation or regulation;
- inclusion in or removal from major market indices;
- the announcement of new technologies;
- level of success in winning new contracts and extending or renewing existing contracts;
- investor sentiment in the local or international stock market;
- the nature of competition in the industries in which Transpacific operates; and
- general operational and business risks.

In particular, the share prices for many companies have in recent times been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company-specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may have a material adverse effect on the market price of the Shares.

The price of the Company's Shares could be adversely affected by any such market fluctuations or factors. None of the Company, its Directors or any other person guarantees the price of the Company's Shares and there is no guarantee that the New Shares will trade at or above the Entitlement Offer Price.

6.4.2 Liquidity and realisation

There may be relatively few, or many potential buyers or sellers of the Shares on ASX at any time, including short sellers. This may affect or cause volatility in the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

Specifically, after the completion of the Equity Raising it is possible that the Cornerstone Investor may hold up to approximately 41.3% of the Shares of the Company – see Section 9.6.3 for further details. The more Shares acquired by the Cornerstone Investor under the Sub-Underwriting Agreement, the more likely it is that this will decrease liquidity of the Shares on ASX, particularly in the six-month period during which the Cornerstone Investor cannot sell certain of its Shares on ASX (see Section 9.6.3), and the more likely it is to have an effect or cause volatility in the market price of the Shares, and the prevailing market price at which Shareholders are able to sell their Shares.

Key risk factors (continued)

6.4.3 Changes in economic, legal and regulatory environment

Transpacific's operating and financial performance is influenced generally by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates, and commodity prices and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a corresponding adverse impact on the Company's earnings and financial performance.

Changes to laws and regulations or accounting standards, which apply to Transpacific from time to time, could also have a material impact on the operating and financial performance and the cashflows of Transpacific with a consequent change in the relative attractiveness of investing in the Shares.

6.4.4 Global economic downturn

At present, the global economy is experiencing a range of adverse effects and any further deterioration in economic conditions may decrease the demand for Transpacific's services and products in each of its key markets and may result in an adverse effect on Transpacific's future financial performance and position, earnings and cashflows. These effects may occur over a short or long period.

6.4.5 Other risks

The above risks are not exhaustive of the risks faced by prospective investors. The risks outlined above and other risks may have an adverse effect on Transpacific's future financial performance and position. Accordingly, no assurances or guarantees of future performance, profitability, distributions or return of capital are given by Transpacific in respect of Transpacific.

Section 7

Independent Accountant's Report

Ernst & Young Transaction
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20 July 2009

The Board of Directors
Transpacific Industries Group Limited
P.O. Box 1824
Milton BC QLD 4064

Dear Directors

PART 1 – INDEPENDENT ACCOUNTANT'S REPORT

1. Introduction

We have prepared this Independent Accountant's Report (the "Report") on the Historical Financial Information of Transpacific Industries Group Ltd ("Transpacific"), the Pro-forma Financial Information, and the Forecast Financial Information for inclusion in a Prospectus to be dated on or about 20 July 2009 (the "Prospectus") relating to the accelerated renounceable entitlement offer of 1.77 shares in Transpacific for every 1 share held (the "Offer").

Expressions defined in the Prospectus have the same meaning in this Report.

The nature of this Report is such that it can be given only by an entity, which holds an Australian Financial Services Licence under the Corporations Act. Ernst & Young Transaction Advisory Services Limited holds the appropriate Australian Financial Services Licence.

2. Scope

We have been requested to prepare an Independent Accountant's Report covering the following Financial Information. Our opinion only extends to the Sections as noted in this Report.

Historical Financial Information

The Historical Financial Information comprises:

(a) Consolidated income statement of Transpacific for the year ended 30 June 2008 as set out in Section 5 of the Prospectus; and

(b) Consolidated balance sheet of Transpacific as at 31 December 2008 as set out in Section 5 of the Prospectus.

The Historical Financial Information for the year ended 30 June 2008 has been extracted from the audited statutory financial statements of Transpacific, which were audited by Bentleys Chartered Accountants & Business Advisors ("Bentleys") and on which an unqualified audit opinion was issued.

The consolidated balance sheet as at 31 December 2008 has been extracted from the reviewed interim financial statements of Transpacific, which were reviewed by Bentleys and on which an unqualified review report was issued. The review report included an emphasis of matter paragraph of material uncertainty regarding continuation as a going concern, as follows:

> "Without qualification to the conclusion, we draw attention to Note 1 in the half-year financial report which describes the covenant default in respect of the US Private Placement holders and the syndicated facility cross default. As a consequence of the defaults, all debt facilities have been classified as current liabilities at 31 December 2008. These factors indicate the current existence of a material uncertainty as to whether the consolidated entity will continue as a going concern and, therefore, whether the consolidated entity will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report."

Pro-forma Financial Information

The Pro-forma Financial Information comprises the pro-forma consolidated balance sheet as at 31 December 2008 as though the Recapitalisation had been completed on that date, and including adjustments for significant items for the six months ending 30 June 2009 as set out in Section 5 of the Prospectus.

Forecast Financial Information

The Forecast Financial Information comprises:

(a) forecast consolidated income statement of Transpacific for the year ending 30 June 2009 as set out in Section 5 of the Prospectus; and

(c) pro-forma consolidated forecast income statement of Transpacific for the year ending 30 June 2009 prepared as if the Recapitalisation had taken place as set out in Section 5 of the Prospectus.

The forecast financial information set out above is referred to collectively as the "Directors' Forecasts".

Responsibility for Historical Financial Information, Pro-forma Financial Information and Forecast Financial Information

The Directors are responsible for the preparation and presentation of the Historical Financial Information, the Pro-forma Financial Information and the Directors' Forecasts, including the best-estimate assumptions, which include the pro-forma transactions, on which they are based. The Historical Financial Information, the Pro-forma Financial Information and the Directors' Forecasts have been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Historical Financial Information, the Pro-forma Financial Information and the Directors' Forecasts to which it relates for any purposes other than for which it was prepared.

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Review of Historical Financial Information

Our responsibility is to express a conclusion on the Historical Financial Information based on our review. We have conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Historical Financial Information is not prepared, in all material respects, in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Historical Financial Information.

Review of Pro-forma Financial Information

We have conducted an independent review of the Pro-forma Financial Information in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that:

a. the Pro-forma Financial Information has not been prepared on the basis of the assumptions set out in Section 5 of the Prospectus; and

b. is not applying the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions set out in Section 5 of the Prospectus had occurred at 31 December 2008.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to inquiries of management personnel and analytical procedures applied to the financial data. We have also determined whether the pro-forma transactions form a reasonable basis for the preparation of the Pro-forma Financial Information. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Pro-forma Financial Information.

Review of Directors' Best-Estimate Assumptions

Our review of the Directors' Forecasts was conducted in accordance with the Australian Auditing and Assurance Standards applicable to review engagements. Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary. These procedures included discussion with the Directors and management of Transpacific and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that:

(a) the Directors' best-estimate assumptions do not provide a reasonable basis for the preparation of the Directors' Forecasts;

(b) in all material respects, the Directors' Forecasts are not properly compiled on the basis of the best-estimate assumptions; and

(c) the Directors' Forecasts are not presented fairly in accordance with (i) the recognition and measurement principles (but not all of the presentation and disclosure requirements) prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia (ii) the accounting policies of Transpacific disclosed in Transpacific's 2008 Annual Report and (iii) in the case of the pro forma forecast, as if the Recapitalisation had taken place.

The Directors' Forecasts have been prepared by the Directors to provide investors with a guide to Transpacific's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of the Directors' Forecasts. Actual results may vary materially from those Directors' Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the Risk Factors set out in Section 6 of the Prospectus.

Our review of the Directors' Forecasts, that are based on best-estimate assumptions, is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Directors' Forecasts included in the Prospectus.

3. Opinion and Statement

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of Transpacific has not been prepared, in all material respects, in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

Pro-forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Pro-forma Financial Information as set out in Section 5 of the Prospectus:

a. has not been prepared on the basis of the assumptions as set out in Section 5 of the Prospectus, and

b. is not applying the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions set out in Section 5 of the Prospectus had occurred at 31 December 2008.

Forecast Financial Information

Based on our review of the Directors' Forecasts as set out in Section 5 of the Prospectus, which is not an audit, and based on an investigation of the reasonableness of the Directors' best-estimate assumptions giving rise to the prospective financial information, nothing has come to our attention which causes us to believe that:

(a) the Directors' best-estimate assumptions set out in Section 5 of the Prospectus do not provide a reasonable basis for the preparation of the Directors' Forecasts;

(b) the Directors' Forecasts are not properly compiled on the basis of the Directors' best-estimate assumptions; and

(c) the Directors' Forecasts are not presented fairly in accordance with (i) the recognition and measurement principles (but not all of the presentation and disclosure requirements) prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia (ii) the accounting policies of Transpacific disclosed in Transpacific's 2008 Annual Report and (iii) in the case of the pro forma forecast, as if the Recapitalisation had taken place.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of Transpacific and the Directors. If events do not occur as assumed, actual results achieved and distributions provided by Transpacific may vary significantly from the Directors' Forecasts. In particular we note that the actual value of significant items for the year ending 30 June 2009, set out in Section 5 of the Prospectus, will depend on a number of factors including valuation assumptions, interest rates and the outlook for market conditions at that date. Accordingly, we do not confirm or guarantee the achievement of the Directors' Forecasts, as future events, by their very nature, are not capable of independent substantiation. Investors should have regard to the Risk Factors detailed in Section 6 of the Prospectus.

4. Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of Transpacific have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

5. Independence and Disclosure

Ernst & Young Transaction Advisory Services Limited does not have any interest in the outcome of the equity raising of Transpacific, other than in connection with the preparation of this Report and participation in due diligence procedures. Ernst & Young Transaction Advisory Services Limited will receive a professional fee for the preparation of this Report. Ernst & Young undertook a vendor due diligence review in connection with the proposed investment by the Cornerstone Investor in Transpacific for which we received a professional fee.

The Directors of Transpacific have agreed to indemnify and hold harmless Ernst & Young Transaction Advisory Services Limited, Ernst & Young and their employees from claims arising out of misstatement or omissions in any material or information supplied by the Directors.

Consent to the inclusion of the Independent Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited

C. Montesin

Grant Murdoch Director and Representative	Cathy Montesin Representative

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THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT ACCOUNTANT'S REPORT

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Accountant's Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

Ernst & Young Transaction Advisory Services Limited, ABN 87 003 599 844
Australian Financial Services Licence No. 240585

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5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

Contacting Ernst & Young Transaction Advisory Services	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

Independent Accountant's Report (continued)

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Section 8

Australian taxation implications

Australian taxation implications

8.1 Australian taxation implications for Eligible Retail Shareholders

Set out below is a summary of the Australian tax implications, in particular the application of Australian Capital Gains Tax (CGT) of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Transpacific Shares as capital assets. The summary below does not necessarily apply to Eligible Retail Shareholders who hold their Transpacific Shares as assets used in carrying on a business, or who may carry on the business of share trading, banking or investment. The summary below does not necessarily apply to Eligible Retail Shareholders whose Transpacific Shares are held through an employee share plan. The summary below also does not take account of any individual circumstances of any particular Eligible Retail Shareholder; Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Prospectus, including the Tax Laws Amendment (2008 Measures No. 3) Act 2008 (the Amending Act).

The summary does not take into account any future changes in income tax law or future judicial interpretations of law, nor does it take into account the application of tax legislation in foreign jurisdictions.

8.2 Granting of Entitlements

Following the decision of the High Court in *Commissioner of Taxation v McNeil (2007) 229 CLR 656*, there was a risk that where a company issues to its Shareholders rights to subscribe for New Shares at a discount, the value of the rights could be included in the assessable income of the Shareholders as ordinary income when the rights are granted, whether or not the rights are exercised. In these circumstances, the amount included in the Shareholders' assessable income would not form part of the cost base of New Shares acquired by the Shareholders.

Whilst it is arguable that the decision in McNeil's case did not affect the tax treatment of the Retail Entitlement Offer, the Amending Act amends the Income Tax Assessment Act 1997 (Cth) (the ITAA 1997) such that, for shares held on capital account, no amount should be included in the assessable income of a Shareholder in a company as a result of being issued, by the company, entitlements to acquire shares in that company. The amendments will apply to any entitlements acquired on or after 1 July 2001.

These amendments should accordingly ensure that the value of the Entitlements is not included in the assessable income of Eligible Retail Shareholders at the time they are granted.

8.3 Exercise of Entitlements

Where Eligible Retail Shareholders exercise their Entitlements and subscribe for New Shares:

- the Entitlements will cease to exist and a CGT event will occur. Any capital gain or loss made on the exercise of the Entitlements should, however, be disregarded for income tax purposes;
- the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day on which Eligible Retail Shareholders exercise their Entitlements; and
- the New Shares will have a cost base for CGT purposes equal to the Entitlement Offer Price paid for the acquisition of the New Shares, plus any non-deductible incidental costs incurred in acquiring the New Shares.

8.4 Renouncing the Entitlements by not taking up the Entitlements, or allowing Entitlements to lapse

Under the Entitlement Offer, the Entitlements of Eligible Shareholders to subscribe for New Shares are not tradeable and may not be assigned. An Eligible Shareholder's Entitlements may lapse by the Eligible Shareholder not taking them up through inaction, but Eligible Shareholders may otherwise not dispose of their Entitlements. Lapsed Entitlements will be known as Unexercised Entitlements. In circumstances where the Entitlements lapse, the Eligible Shareholders will not acquire any New Shares under the Offer.

Where Entitlements have lapsed, the New Shares will be placed in the Retail Entitlement Bookbuild and sold to Institutional Investors. For each New Share you do not subscribe for under the Entitlement Offer, you will be paid the excess (if any) of the Clearing Price achieved through the Retail Entitlement Bookbuild above the Entitlement Offer Price per New Share and any such excess paid will be known as a Retail Premium.

The Australian Taxation Office (ATO) on 19 May 2009 released *Taxpayer Alert TA 2009/11* which sets out the ATO's current view on Retail Premiums paid on unexercised share entitlements. The ATO holds the view that Retail Premiums should be treated as either unfrankable dividends and/or ordinary income and taxed as such; and that Retail Premiums should *not* be treated as capital gains. The ATO is reviewing the taxation of Retail Premiums on unexercised share entitlements. The Shareholders are strongly recommended to seek advice on the taxation of Retail Premiums from their tax advisers.

8.5 New Shares

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances (note that the actual date of acquisition of the New Shares will be relevant for the application of certain integrity rules that are based on ownership periods such as the "45 day holding period" rule).

On any future disposal of New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those New Shares is described in Section 8.3 above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those New Shares, they must have been held for at least 12 months after the date of exercise before the disposal occurs.

8.6 Other Australian taxes

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

Section 9
Additional information

Additional information

9.1 Introduction

Prospective investors should be aware of a number of other matters that have not been discussed in detail elsewhere in this Prospectus.

These matters are included in this Section and include a summary of other important documents, the consents of experts whose statements have been included in this Prospectus and the disclosure of Directors' interests.

Prospective investors should read this Section in detail before making an investment decision.

9.2 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply.

That provision allows the issue of a more concise prospectus in relation to offers of securities in a class which has been continuously quoted by ASX for the three months prior to the date of this Prospectus.

9.3 Reporting and disclosure obligations

Transpacific is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require ASX to be continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by ASX.

In particular, Transpacific has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning Transpacific and the Group, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of Transpacific's securities. Transpacific is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

9.4 Documents incorporated by reference and availability of other documents

9.4.1 Documents incorporated by reference – Results of Institutional Entitlement Offer

The ASX announcement "Results of Institutional Entitlement Offer" lodged with ASIC and ASX by Transpacific on 20 July 2009 is incorporated by reference in this Prospectus under section 712 of the Corporations Act. The announcement includes:

- the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild;
- any shortfall from the Institutional Entitlement Bookbuild and the amount anticipated to be sub-underwritten by the Cornerstone Investor;
- the expected maximum size of the Secondary Placement based on the shortfall from the Institutional Entitlement Bookbuild;
- the maximum percentage shareholding that the Cornerstone Investor may obtain under the Equity Raising based on the sub-underwritten shortfall from the Institutional Entitlement Bookbuild; and
- the Clearing Price for the Institutional Bookbuild.

9.4.2 Copies of documents

ASIC maintains records in respect of documents lodged with it by Transpacific, and these may be obtained from or inspected at any office of ASIC.

Transpacific will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the application period for this Prospectus:

- the annual financial report lodged with ASIC by Transpacific for the year ended 30 June 2008;
- the half-year financial report lodged with ASIC by Transpacific for the half-year to 31 December 2008;
- the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASIC and ASX by Transpacific on 20 July 2009; and

- any other document used to notify ASX of information relating to Transpacific under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act after the date of lodgement with ASIC of the annual financial report referred to above and before lodgement with ASIC of this Prospectus.

9.5 Underwriting Agreement

This Section contains a summary of the fee, warranty, indemnity, conditions and termination provisions of the Underwriting Agreement.

The conditions and termination event provisions under the Underwriting Agreement are different for the period on or before the Institutional Settlement Date and after the Institutional Settlement Date.

Transpacific and the Joint Lead Managers entered into the Underwriting Agreement on 15 July 2009. Under the Underwriting Agreement, Transpacific appointed Deutsche Bank and Macquarie as Joint Lead Managers and underwriters to the Entitlement Offer. Each Joint Lead Manager has agreed to underwrite 50% of any shortfall under the Retail Entitlement Offer and 50% of any shortfall under the Institutional Entitlement Offer.

The Joint Lead Managers may at their cost appoint sub-underwriters to sub-underwrite the Entitlement Offer in their absolute discretion.

The Joint Lead Managers have appointed the Cornerstone Investor to sub-underwrite in full the Retail Entitlement Offer and to sub-underwrite up to approximately 150.0 million New Shares in the Institutional Entitlement Offer. A summary of the Sub-Underwriting Agreement is set out in Section 9.6.2.

9.5.1 Fees and expenses

The Joint Lead Managers will receive the following total fees under the Underwriting Agreement:

- an advisory and arranging fee of 1.3% of the gross proceeds of the Initial Placement and the Secondary Placement (if applicable);
- a structuring fee of 0.75% of the gross proceeds of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild excluding the Entitlements of the Peabody Family and the Cornerstone Investor;
- an underwriting fee of 2.0% of the gross proceeds of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild excluding the Entitlements of the Peabody Family and the Cornerstone Investor;
- a management fee of 0.25% of the gross proceeds of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild excluding the Entitlements of the Peabody Family and the Cornerstone Investor;
- an underwriting fee of 1.8% of the gross amount of the Cornerstone Investor's Entitlement and sub-underwriting commitment under the Institutional Entitlement Offer; and
- an underwriting fee of 1.8% of the gross amount of the Retail Entitlement Offer and the Retail Entitlement Bookbuild.

The Joint Lead Managers will also receive a fee which is fixed at an aggregate of $4 million.

Transpacific must also pay to the Joint Lead Managers their reasonable expenses including legal and out-of-pocket expenses incurred by the Joint Lead Managers in relation to the Entitlement Offer.

No fees and expenses are payable to the Cornerstone Investor under the Underwriting Agreement or the Sub-Underwriting Agreement. The Cornerstone Investor was paid a fixed amount of A$200,000 by the Company to subsidise some of its due diligence costs and expenses. The Cornerstone Investor will also be paid interest on the monies by which it is pre-funding the Retail Entitlement Offer under the terms of the Escrow Agent Agreement. Please refer to the last paragraph of Section 9.8.5.

9.5.2 Warranties and indemnities

Customary and usual representations and warranties are given by the parties in relation to matters such as power to enter into the Underwriting Agreement, corporate authority and approvals and Transpacific's compliance with the Corporations Act and ASX Listing Rules in relation to the Entitlement Offer.

Transpacific gives a number of further representations and warranties to the Joint Lead Managers, including that this Prospectus and related public documents and information do not contain any material statements that are misleading or deceptive and that none of the information supplied to the Joint Lead Managers is misleading or deceptive in a material respect, together with warranties regarding financial information and accounts, due diligence, the New Shares, Initial Placement Shares and Secondary

Placement Shares (if any), the Warrants, legal compliance, no material adverse effect or prescribed occurrence, no event of insolvency, contracts and authorisations, ownership and title of assets, labour disputes, compliance with environmental laws, environmental liabilities, tax returns and tax obligations, internal accounting controls, auditor independence, no corrupt practices, anti-money laundering, intellectual property, insurances, litigation and other matters concerning the Equity Raising and affairs of Transpacific.

Transpacific indemnifies the Joint Lead Managers and persons associated with the Joint Lead Managers in respect of certain loss that may be suffered in connection with the Equity Raising and the transactions contemplated under the Transaction Documents.

9.5.3 Conditions

Institutional Entitlement Offer

The obligations of the Joint Lead Managers to underwrite the Institutional Entitlement Offer and manage the Equity Raising after the Institutional Settlement Date are subject to the fulfilment or waiver of certain conditions by the time specified in the Underwriting Agreement on the Institutional Settlement Date including:

- (**official quotation**) ASX not having indicated to Transpacific or the Joint Lead Managers that it will not grant permission for the official quotation of the Shares;
- (**ASX waivers**) ASX having granted the necessary ASX Listing Rule waivers on or before the opening date for the Institutional Entitlement Offer, and not withdrawing or modifying them (except where immediately replaced or without a material adverse effect);
- (**Initial Placement**) the Cornerstone Investor has paid the Initial Placement Proceeds to Transpacific;
- (**Retail Entitlement Offer**) the Cornerstone Investor has paid the full amount of the Retail Entitlement Offer (including the amount in respect of New Shares which would have been offered to Ineligible Retail Shareholders if they had been entitled to participate the Offer) to Transpacific;
- (**granting of Warrants**) the Warrants have been granted to the Cornerstone Investor;
- (**US counsel opinion**) Transpacific has obtained an opinion from US legal counsel addressed to the Joint Lead Managers which opines on certain aspects of US law in connection with the Institutional Entitlement Offer, the Institutional Entitlement Bookbuild, the Initial Placement and the Warrants; and
- (**certificate**) the Joint Lead Managers receiving the certificate required to be furnished by Transpacific under the Underwriting Agreement.

Retail Entitlement Offer

The obligations of the Joint Lead Managers to underwrite the Retail Entitlement Offer and manage the Retail Entitlement Offer after the Retail Settlement Date are subject to the fulfilment or waiver of certain additional conditions:

- (**opinions**) Transpacific has obtained the certificates and opinions required under the Underwriting Agreement in respect of the Prospectus or any Supplementary Offer Document; and
- (**Institutional Allotment**) Transpacific completing the allotment of New Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild.

9.5.4 Termination events

On or before the Institutional Settlement Date

Each Joint Lead Manager may terminate any of its obligations under the Underwriting Agreement if any of certain specified events occur on or before the time specified in the Underwriting Agreement on the Institutional Settlement Date or as otherwise specified in the description of the event.

The following are specified events:

- (**listing**) Transpacific ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on, ASX. This does not include the existing suspension of the Shares or any extension of that suspension up until the opening date of the Retail Entitlement Offer;
- (**market fall**) the S&P/ASX 200 Index:
  - (a) closes on the Closing Date for the Institutional Entitlement Bookbuild at a level that is 10% or more below the level of the S&P/ASX 200 Index as at the close of trading on the business day immediately preceding the date of the Underwriting Agreement; or

(b) closes on any business day before the Institutional Settlement Date at a level that is 10% or more below the level of the S&P/ASX 200 Index as at the close of trading on the business day immediately preceding the date of the Underwriting Agreement and remains at or below that level for at least one business day; or

(c) closes on the business day immediately preceding the Institutional Settlement Date at a level that is 10% or more below the level of the S&P/ASX 200 Index as at the close of trading on the business day immediately preceding the date of the Underwriting Agreement;

- (**withdrawal**) Transpacific withdraws part or all of an Offer Document, the Equity Raising, the Secondary Placement or the Warrants;
- (**unable to issue securities under Equity Raising**) Transpacific is prevented from allotting and issuing the New Shares, the Initial Placement Shares, the Secondary Placement Shares or the Warrants in accordance with this Prospectus, under the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government authority;
- (**certificates**) the certificate required by the Underwriting Agreement is not given by Transpacific, or, if given, a statement in the certificate is untrue or incorrect, or misleading or deceptive;
- (**prosecution**) in the event:

(a) a Director is charged with a criminal offence relating to any financial or corporate matter or any government authority commences any public action against a Director in their capacity as a Director, or announces that it intends to take such action;

(b) a Director is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 205G of the Corporations Act or equivalent laws of another jurisdiction; or

(c) Transpacific or a Director engage in any fraudulent activity;

- (**Peabody Family**) in the event:

(a) the Peabody Family fails to provide, or provides but subsequently withdraws, amends or varies without the consent of the Joint Lead Managers (acting reasonably) its written undertaking to Transpacific to subscribe under the Institutional Entitlement Offer for at least 58,333,333 New Shares of the Peabody Family's Entitlement;

(b) the Peabody Family fails to apply under the Institutional Entitlement Offer for 58,333,333 New Shares of the Peabody Family's Entitlement or fails to pay for such New Shares; or

(c) the Peabody Family applies under the Institutional Entitlement Offer for more than 58,333,333 New Shares of the Peabody Family's Entitlement;

- (**Subscription Agreement**) any of the obligations of the Cornerstone Investor under the Subscription Agreement are not capable of being performed in accordance with its terms (in the reasonable opinion of the Joint Lead Managers) or:

(a) settlement in respect of the Initial Placement Shares does not occur under the Subscription Agreement; or

(b) all or part of the Subscription Agreement is amended or varied without the consent of the Joint Lead Managers (acting reasonably), is terminated, is breached in a respect that the Joint Lead Managers believe to be materially adverse, ceases to have effect otherwise than in accordance with its terms, is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance by Transpacific becomes illegal;

- (**Cornerstone Investor sub-underwriting arrangements**) the obligations of the Cornerstone Investor under the sub-underwriting arrangements for the Entitlement Offer are not capable of being performed in accordance with its terms (in the reasonable opinion of the Joint Lead Managers) or if all or part of the sub-underwriting arrangements is terminated, is breached (other than by the Joint Lead Managers seeking to terminate or its affiliate), ceases to have effect, otherwise than in accordance with its terms, is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance by the Cornerstone Investor becomes illegal;
- (**Transaction Documents**) if any of the obligations of the relevant parties under any of the Transaction Documents are not capable of being performed in accordance with their terms (in the reasonable opinion of the Joint Lead Managers) or if all or any part of any of the Transaction Documents are amended or varied without the consent of the Joint Lead Managers (acting reasonably), is terminated, is breached (other than by a Joint Lead Manager seeking to terminate or its affiliate), ceases to have effect, otherwise than in accordance with its terms, is or becomes void, voidable, illegal, invalid or

unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance by Transpacific becomes illegal;

- (**Debt and financing arrangements**):
  - (a) except as contemplated under the Amended Facility Agreement, breach or default by Transpacific occurs under any material debt or financing arrangement which Transpacific has entered into, or any waiver provided by a financier in respect of an actual or potential breach of any material debt or financing arrangement is withdrawn, rescinded, altered or amended;
  - (b) except as contemplated under the Amended Facility Agreement, an event of default, potential event of default, review event which gives a lender or financier the right to accelerate or require early repayment of any debt or financing arrangement or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation; or
  - (c) any withdrawal, rescission, alteration or amendment of the Amended Facility Agreement;
- (**Regulatory approval**) before the time specified in the Underwriting Agreement on the Institutional Settlement Date:
  - (a) a government authority withdraws or amends any approval required by any applicable laws; or
  - (b) Transpacific fails to comply with, or there is a challenge made by a government authority in relation to, any applicable laws, order or binding request, made by a court of competent jurisdiction or a government authority,

  in connection with the issue of the New Shares, Initial Placement Shares, Secondary Placement Shares or Warrants, unless the matter has not become public and is rectified within two business days of occurring, or where it occurs less than two business days before the Institutional Settlement Date, is rectified by the Institutional Settlement Date;
- (**lodgement**) Transpacific fails to lodge the Prospectus with ASIC on or before the date specified in the Underwriting Agreement (or such later date as the Joint Lead Managers may agree in writing);
- (**consent**) any person whose consent to the issue of the Offer Document is required by section 720 of the Corporations Act who has previously consented withdraws such consent or any person otherwise named in an Offer Document with their consent (other than the Joint Lead Managers) withdraws such consent;
- (**Offer Documents**):
  - (a) an Offer Document, or any statement, report, representation, matter or thing contained therein is or becomes misleading or deceptive or is likely to mislead or deceive (including misleading within the meaning in section 728(2) of the Corporations Act);
  - (b) there is an omission from an Offer Document of material required to be included by the Corporations Act or any other applicable law; or
  - (c) a new circumstance has arisen since an Offer Document was issued or lodged which would have been required by the Corporations Act to be included in the Prospectus if the matter had arisen before the Offer Document was issued or lodged;
- (**Supplementary Offer Document**) a Supplementary Offer Document is lodged, or in the reasonable opinion of the Joint Lead Managers, required to be lodged with ASIC under section 719 of the Corporations Act;
- (**persons liable**) any person gives a notice under section 730 of the Corporations Act;
- (**ASIC notifications**) ASIC makes or applies for certain orders (including interim orders), commences certain proceedings or investigates (or gives notice of its intention to investigate or prosecute) matters relating to the Equity Raising, the Secondary Placement, the Warrants or an Offer Document, unless the matter does not become public and is withdrawn within two business days after it is commenced or where it occurs less than two business days before the Institutional Settlement Date, is withdrawn by the Institutional Settlement Date;
- (**ASIC Modification**) the relief granted by ASIC in order to facilitate the Equity Raising is withdrawn or modified;
- (**ASX approval**) ASX approval for the quotation of the New Shares is refused, not granted or withdrawn by the time required in the Underwriting Agreement or ASX makes an official statement to any person or indicates in writing to Transpacific or the Joint Lead Managers that official quotation of the New Shares will be refused;

- (**ASX waiver**) ASX withdraws or revokes any of the ASX Listing Rule waivers necessary to make the Entitlement Offer and issue the Equity Security and the Warrants (without immediately replacing those waivers) or amends those waivers and those amendments, in the Joint Lead Managers' reasonable opinion, would have or be likely to have a material adverse effect on the success of the Entitlement Offer or the ability of the Joint Lead Managers to market, promote or settle the Entitlement Offer or any part of it;
- (**trading of securities**) trading of securities quoted on ASX, the London Stock Exchange or the New York Stock Exchange is suspended, or there is a material limitation in trading, for more than one business day on which that exchange is open for trading, which in the reasonable judgement of a Joint Lead Manager, makes it impracticable to proceed with the Equity Raising, grant of Warrants or the Secondary Placement or the issue or delivery of the New Shares or the Initial Placement Shares on the Institutional Settlement Date on the terms and in the manner contemplated in the Offer Documents;
- (**timetable**) any event specified in the timetable for the Equity Raising and Secondary Placement is delayed for more than two business days without the prior written approval of the Joint Lead Managers (which is not unreasonably withheld or delayed);
- (**other events**) there is:
  - (a) an outbreak or a major escalation of hostilities (whether war is declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, any member of the European Union, North Korea or China or the declaration by any of these countries of a national emergency or war, or a major terrorist attack is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
  - (b) a general moratorium on commercial banking activities in Australia, New Zealand, Singapore, Hong Kong, the United Kingdom or the United States is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement, payment or clearance services in any of those countries;
  - (c) an occurrence of any other calamity or crisis or any disruption or change in financial, political or economic conditions, financial markets or currency exchange rates or controls in Australia, New Zealand, Singapore, Hong Kong, the United States, or the United Kingdom,

  which in the reasonable judgement of a Joint Lead Manager, makes it impracticable to proceed with the Equity Raising or the Secondary Placement or the issue or delivery of the New Shares, the Initial Placement Shares or the Secondary Placement Shares on the terms and in the manner contemplated in the Offer Documents; or
- (**Event of insolvency**)
  - (a) Transpacific becomes insolvent or there is an act or omission which is likely to result in it becoming insolvent; or
  - (b) any of its material subsidiaries becomes insolvent.

The following are also specified events, provided that such event will not entitle a Joint Lead Manager to exercise its right to terminate its obligations under the Underwriting Agreement unless, in that Joint Lead Manager's reasonable opinion the event has or is likely to have a material adverse effect on the success or outcome of the Entitlement Offer, the ability of the Joint Lead Manager to market or promote or settle the Entitlement Offer, the performance of the secondary trading market of the New Shares at any time during the 30 day period following the Retail Settlement Date, or as a result of the event, the Joint Lead Manager will or is likely to contravene, be involved in a contravention of, or incur liability under the Corporations Act or any other applicable law.

- (**information supplied**) the due diligence committee's report or any other information supplied by or on behalf of Transpacific or any of its subsidiaries to a Joint Lead Manager in respect of the Equity Raising, the Secondary Placement, the Warrants, Transpacific or its subsidiaries is false or misleading or deceptive or likely to mislead or deceive whether by act or omission;
- (**warranties**) a representation or warranty given or made by Transpacific in the Underwriting Agreement is, or becomes, misleading or deceptive or is, or becomes, false or incorrect;
- (**default**) Transpacific is in default of any of the terms and conditions of the Underwriting Agreement;
- (**failure to comply**) Transpacific (or any material subsidiary) fails to comply with a provision of its constitution, any applicable law or a requirement, order or binding request, made by or on behalf of ASIC, ASX, or any other specified government authority;

Additional information (continued)

- (**unauthorised alterations**) there is an alteration in the composition of Transpacific's senior management, its Board, its share capital or its constitution (except in a manner expressly contemplated in the Offer Documents or as disclosed to the Joint Lead Managers prior to the date of the Underwriting Agreement);
- (**adverse change**) there is an adverse change or effect, in or affecting the business, operations, prospects, management, financial position, earnings position or Shareholder's equity of the Group (taken as a whole) from the position disclosed in the Offer Documents;
- (**future matters**) any statement or estimate in an Offer Document which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Joint Lead Managers, unlikely to be met in the projected timeframe;
- (**material contracts**) any term of a material contract is breached, varied, terminated, rescinded or altered without the prior consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed) or any material contract is found to be void or voidable; or
- (**Change in laws**) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia, a law or prospective law, or any new regulation is made under any statute, or a government authority adopts a policy, or there is any announcement that such a law, prospective law or regulation may be introduced or policy may be adopted (except where such law or prospective law or new regulation is announced or generally known to the market prior to the date of the Underwriting Agreement), any of which does or is likely to prohibit or regulate the Equity Raising, the Secondary Placement, the Warrants, capital issues or stock markets or materially adversely affect the success or outcome of the Equity Raising, the Secondary Placement or the grant of the Warrants.

After the Institutional Settlement Date

Each Joint Lead Manager may terminate any of its obligations under the Underwriting Agreement if any of certain specified events occur after the time specified in the Underwriting Agreement on the Institutional Settlement Date but before the time specified in the Underwriting Agreement on the Retail Settlement Date or as otherwise specified in the description of the event.

The following are specified events:

- (**Cornerstone Investor sub-underwriting arrangements**) the obligations of the Cornerstone Investor to subscribe for a shortfall under the sub-underwriting arrangements for the Entitlement Offer are (in the reasonable opinion of the Joint Lead Managers) not capable of being performed or are not performed in accordance with its terms and that situation is not fully remedied;
- (**Escrow Agent Agreement**) the Securities Escrow Agent is or remains prevented from transferring, or the Cornerstone Investor is or remains prevented from receiving, the New Shares offered under the Retail Entitlement Offer as contemplated under the Transaction Documents or this Prospectus (as initially lodged), under the ASX Listing Rules, pursuant to applicable laws or pursuant to an order of a court of competent jurisdiction or a government authority and that situation is not fully remedied;
- (**Process Deed**) the Cornerstone Investor breaches its covenant under the Process Deed not to dispose of any of the Shares it has acquired as contemplated by the Subscription Agreement unless that disposal is permitted under the terms of the Process Deed; or
- (**Supplementary Offer Document**) a Supplementary Offer Document is, in the reasonable opinion of the Joint Lead Managers, required to be lodged with ASIC under section 719 of the Corporations Act to correct a deficiency or a new circumstance that is materially adverse from the point of view of an investor and has not been lodged or has been lodged but, in the reasonable opinion of the Joint Lead Managers, does not correct the deficiency or the new circumstance.

9.6 Initial Placement and Sub-Underwriting Agreement

9.6.1 Subscription Agreement and Process Deed

Subscription Agreement

Transpacific and the Cornerstone Investor have entered into the Subscription Agreement dated 9 June 2009. Under the Subscription Agreement, the Cornerstone Investor has been issued with the Equity Security. The Equity Security will convert into 35,818,663 Initial Placement Shares at an Initial Placement Price of $1.80 per Initial Placement Share upon payment of the Initial Placement Proceeds on the Institutional Settlement Date. The Equity Security will also entitle the Cornerstone Investor to participate in the Institutional Entitlement Offer as if the Initial Placement Shares had been issued prior to the Record Date. The Cornerstone Investor has committed to Transpacific and the Joint Lead Managers that it will take up its full Entitlement under the Institutional Entitlement Offer.

Under the terms of the Subscription Agreement, at the close of the Entitlement Offer, the Cornerstone Investor may also subscribe for up to an additional 92,075,344 Secondary Placement Shares at the Entitlement Offer Price of $1.20 per Share, but the number of Secondary Placement Shares for which it may subscribe will be reduced by the number of New Shares the Cornerstone Investor obtains under its sub-underwriting of the Entitlement Offer. For the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, see the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009.

The Subscription Agreement also provides for Transpacific to grant to the Cornerstone Investor 71,637,326 Warrants on the Institutional Settlement Date under the Equity Warrant Deed, to become exercisable in three tranches. Further details of the Warrants are provided in Sections 2.10 and 9.6.4.

The Subscription Agreement provides for Transpacific to pay the Cornerstone Investor a fee of $8 million as compensation for the Cornerstone Investor's costs if the Cornerstone Investor terminates the Subscription Agreement as a result of the Underwriting Agreement being terminated as a consequence of the Peabody Family failing to subscribe for 58,333,333 New Shares under the Institutional Entitlement Offer.

The obligations of the Cornerstone Investor under the Subscription Agreement do not become binding unless as at the Institutional Settlement Date:

- all ASIC and ASX waivers and approvals necessary or desirable to implement the Equity Raising, Secondary Placement and grant of Warrants have been obtained and have not been withdrawn, revoked or amended;
- debt amendments and waiver agreements with Transpacific's syndicated debt financiers and USPP noteholders extending the Syndicated Facility, amending the Syndicated Facility and the USPP and waiving previous breaches of the Syndicated Facility and USPP are binding, effective and unconditional;
- the Underwriting Agreement, Sub-Underwriting Agreement and Escrow Agent Agreement are binding and effective, and no circumstances exist which in the reasonable opinion of the Cornerstone Investor would entitle any party to any of the agreements to terminate it or result in a condition to any of the agreements not being fulfilled;
- the Joint Lead Managers confirm in writing to the Cornerstone Investor that the Joint Lead Managers will pay the aggregate amount for all New Shares offered under the Entitlement Offer as required by the Underwriting Agreement; and
- there is no material breach of representations, warranties or obligations of Transpacific in the Subscription Agreement or Process Deed.

This means that the Cornerstone Investor is entitled to terminate in all circumstances in which the Joint Lead Managers may terminate prior to the Institutional Settlement Date.

Process Deed

Transpacific and the Cornerstone Investor also entered into a Process Deed dated 9 June 2009 which provides for various matters relating to the governance of Transpacific.

Appointment of Directors: For so long as the Cornerstone Investor and its affiliates hold more than 15% of issued Shares the Cornerstone Investor is entitled to:

- nominate one person to be appointed as a Director and member of the Board's nomination and remuneration committee; and
- participate in the selection of two other persons to be appointed as independent Non-Executive Directors. If Transpacific and the Cornerstone Investor cannot agree on two persons to be so appointed the Cornerstone Investor may choose the two persons to be appointed provided they are not associated directly with the Cornerstone Investor.

The Board must unanimously recommend that Shareholders vote in favour of the re-election of the Directors appointed by the Board pursuant to the foregoing requirements unless the Board has written legal advice that their fiduciary duties as directors require them to not recommend the re-election.

Limitations on the conduct of Transpacific: For so long as the Cornerstone Investor and its affiliates hold more than 15% of issued Shares, Transpacific must not, without the approval of the Cornerstone Investor, which must be given reasonably and in the best interests of Transpacific:

- conduct any further non-pro-rata equity raisings;
- acquire or dispose of any asset or business with a value or for consideration of more than $20 million;

Additional information (continued)

- buy back any of its Shares or reduce its capital;
- do anything that would breach any of its financing documents;
- declare or pay dividends if immediately following the declaration or payment Transpacific has a ratio of net debt (including convertible notes) to Adjusted EBITDA of greater than 2.85x; or
- raise new financial indebtedness that would result in Transpacific exceeding specified debt covenant ratios.

Transpacific's obligation to consult: Also, for so long as the Cornerstone Investor holds more than 15% of issued Shares, Transpacific must endeavour in good faith to consult with the Cornerstone Investor before taking any of the following action:

- appointing, removing or materially changing the terms of employment of Transpacific's chief executive officer, chief financial officer or the heads of operating divisions;
- appoint any person by casual appointment to the Board;
- adopt Transpacific's annual business plan and budget, or exceed by more than 15% the amount of expenditure or financial indebtedness included in the budget;
- commence or settle any new litigation or other proceeding involving more than $3 million; or
- repurchase, convert or redeem any debt or equity securities.

Action to be taken by Transpacific: The Process Deed also requires Transpacific to:

- appoint a person to the role of internal auditor;
- implement policies regarding the provision of loans and other benefits to Directors and senior managers, and requiring Board approval for the entry into margin loans by Directors, senior managers and certain employees in respect of Shares;
- consult with the Cornerstone Investor regarding the formulation of resources, capital and debt plans and communication of such plans to the market; and
- until the Retail Settlement Date, ensure the business of Transpacific is conducted materially in the ordinary course of business.

Cornerstone Investor to retain shareholding for not less than six months: The Cornerstone Investor covenants and undertakes that it will not dispose of any Shares obtained under the Initial Placement, its Entitlement under the Entitlement Offer or the Secondary Placement for a period of six months after the allotment of Shares under the Retail Entitlement Offer, except:

- to an affiliate of the Cornerstone Investor; or
- where the Peabody Family disposes of more than 10% of its shareholding in Transpacific which it held as at 9 June 2009; or
- where there is a takeover bid for Transpacific which is unconditional, is recommended by the Board or in which the bidder has acquired more than 50% of issued Shares; or
- where there is a scheme of arrangement approved by the Board or a court which when implemented would result in a person acquiring more than 50% of Shares; or
- where Transpacific or a material subsidiary is or may reasonably be expected to become insolvent; or
- with Transpacific's consent.

9.6.2 Sub-Underwriting Agreement and Cornerstone Investor

The Cornerstone Investor and the Joint Lead Managers have entered into a Sub-Underwriting Agreement dated 15 July 2009. Under that agreement, the Cornerstone Investor has committed to subscribe up to 149,970,761 New Shares of any shortfall under the Institutional Entitlement Offer and to sub-underwrite up to a further 146,370,499 New Shares comprising the full Retail Entitlement Offer. Those New Shares are sub-underwritten at the Entitlement Offer Price.

For the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, see the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009. New Shares subscribed for under the Cornerstone Investor's sub-underwriting of the Institutional Entitlement Offer are to be issued at the same time as the New Shares issued to Institutional Investors under the Institutional Entitlement Offer.

The Cornerstone Investor will sub-underwrite the Retail Entitlement Offer by making upfront payment on the Institutional Settlement Date for all of the New Shares offered under the Retail Entitlement Offer. Under the Escrow Agent Agreement, on the allotment date for the Retail Entitlement Offer the

Cornerstone Investor is to receive New Shares offered under the Retail Entitlement Offer that are not taken up in the Retail Entitlement Bookbuild and a reimbursement of all or a portion of the Cornerstone Investor's upfront payment to the extent that New Shares are taken up in the Retail Entitlement Offer or Retail Entitlement Bookbuild. The Escrow Agent Agreement is described in Section 9.8. It is expected that the Cornerstone Investor will receive any New Shares under its sub-underwriting of the Retail Entitlement Offer on the Retail Settlement Date.

The Cornerstone Investor will not be obliged to subscribe for New Shares under the Sub-Underwriting Agreement unless each of the following conditions is satisfied:

(a) (**Subscription Agreement**) as at 11.00am on the Institutional Settlement Date, the Subscription Agreement has not been terminated, the Subscription Agreement conditions precedent to the launch of the Equity Raising have been satisfied or waived and Transpacific has fully performed its obligations under the Subscription Agreement up to that time on the Institutional Settlement Date; and

(b) (**Underwriting Agreement**) as at 12.00pm on the Institutional Settlement Date, the Underwriting Agreement has not been terminated, the Underwriting Agreement conditions precedent to the underwriting of the Retail Entitlement Offer (other than relating to the Cornerstone Investor's performance of the Sub-Underwriting Agreement, Subscription Agreement, Equity Security or Escrow Agent Agreement) have not been satisfied or waived and Transpacific has fully performed its obligations under the Underwriting Agreement up to that time on the Institutional Settlement Date.

The Cornerstone Investor may also terminate its obligations under the Sub-Underwriting Agreement if at any time from 12.00pm on the Institutional Settlement Date to 3.00pm on the Retail Settlement Date, the Escrow Agent or the Cornerstone Investor is prevented from receiving the New Shares as contemplated under the Escrow Agent Agreement, Sub-Underwriting Agreement and other transaction documents or this Prospectus, under the ASX Listing Rules, pursuant to applicable laws or pursuant to an order of a court of competent jurisdiction or a government authority. Before terminating, the Cornerstone Investor must have used all reasonable endeavours to remedy the situation.

The Cornerstone Investor's sub-underwriting rights will lapse at the Joint Lead Managers' discretion if the Cornerstone Investor fails to comply with the material terms of the Sub-Underwriting Agreement or Subscription Agreement.

If the Joint Lead Managers terminate their underwriting obligations under the Underwriting Agreement, the Cornerstone Investor's sub-underwriting rights will lapse.

The Cornerstone Investor may assign, transfer or otherwise deal with its rights or obligations under the Sub-Underwriting Agreement or otherwise lay off or sub-syndicate its participation to any member of the Warburg Pincus X Group without Joint Lead Managers' agreement and to anyone else with the Joint Lead Managers' consent, but only on the basis that the Cornerstone Investor remains liable to perform obligations not performed by the transferee or assignee. The Cornerstone Investor does not intend to assign or transfer its sub-underwriting rights or obligations.

9.6.3 Potential effect of the Equity Raising on the voting power of the Cornerstone Investor

The Cornerstone Investor has agreed to sub-underwrite up to 149,970,761 New Shares of any shortfall under the Institutional Entitlement Offer and to sub-underwrite up to a further 146,370,499 New Shares comprising the full Retail Entitlement Offer. The Cornerstone Investor may acquire a significant voting interest in Transpacific as a result of the Initial Placement, participation in the Institutional Entitlement Offer, the Sub-Underwriting Agreement and, if applicable, the Secondary Placement. The extent of any increase in voting power resulting from the Cornerstone Investor's sub-underwriting commitment will depend on the amount of any New Shares that are not taken up under the Entitlement Offer.

The key reasons for this Recapitalisation structure include:

- the quantum of the funding requirement by the Company relative to its current market capitalisation;
- Transpacific's requirement that the Retail Entitlement Offer be underwritten, which needed to be provided by the Cornerstone Investor owing to the unacceptable market risk for professional underwriters over a retail offer period;
- the difficulty for a private equity cornerstone investor to sub-underwrite a renounceable entitlement offer given the uncertainty about the ultimate shareholding/pricing outcome associated with the structure; and
- the current financial position of the Company in light of its breach of financial covenants in the USPP and the cross-default under the Syndicated Facility (refer to Sections 9.7.1 and 9.7.2 below).

Additional information (continued)

The Entitlement Offer has been recommended by the Joint Lead Managers as a result of extensive analysis undertaken as to funding options for the Company. In addition, the Joint Lead Managers have canvassed a wide range of potential parties to act as a cornerstone investor, without success. In the view of the Board and the Joint Lead Managers, the proposed Recapitalisation structure is the only viable equity offer structure available to the Company at this time.

If the Cornerstone Investor acquires the maximum number of New Shares that may be issued or transferred to it under the Sub-Underwriting Agreement, its percentage shareholding in Transpacific after the Initial Placement, participation in the Institutional Entitlement Offer and sub-underwriting of the Institutional Entitlement Offer and Retail Entitlement Offer will be approximately 41.3% following completion of the Retail Entitlement Offer.

Regardless of the number of Shares that the Cornerstone Investor acquires under its sub-underwriting of the Entitlement Offer, the Secondary Placement will have the effect that the Cornerstone Investor may obtain minimum voting power of approximately 18.3% following the completion of the Equity Raising and the Secondary Placement. The Cornerstone Investor does not have any specific intentions in relation to any shortfall above the minimum of approximately 18.3%.

If the Cornerstone Investor subscribes for more than approximately 76.8 million Shares under the Secondary Placement and its sub-underwriting of the Entitlement Offer, the Cornerstone Investor is expected to become the largest Shareholder in Transpacific.

The following table sets out the effect on the Cornerstone Investor's voting power assuming a shortfall after completion of the Retail Entitlement Bookbuild of either 50% or 100% of the New Shares offered under the Retail Entitlement Offer.

	Current[1]	Following completion of the Initial Placement and Entitlement under the Institutional Entitlement Offer[2]	Assuming a shortfall of 50% of New Shares available under the Retail Entitlement Offer[3,4]	Assuming a shortfall of 100% of New Shares available under the Retail Entitlement Offer[3,4]
Voting power of the Cornerstone Investor	1.4%	10.5%	Up to 33.7%	Up to 41.3%

1. The Cornerstone Investor currently holds the Equity Security which subject to the conditions described in Section 9.8 will convert into 35,818,663 Initial Placement Shares at an Initial Placement Price of $1.80 per Initial Placement Share upon payment of the Initial Placement Proceeds on the Institutional Settlement Date and entitle the Cornerstone Investor to participate in the Entitlement Offer on a pro-rata basis as if the Initial Placement Shares had been issued prior to the Record Date. In addition, the Cornerstone Investor has agreed to acquire Shares from certain Transpacific executives as described in Section 9.12.2.
2. The Cornerstone Investor has elected to take up its full entitlement of 63,399,034 New Shares under the Institutional Entitlement Offer.
3. The Cornerstone Investor's maximum voting power will depend on the number of New Shares that the Cornerstone Investor obtains under its sub-underwriting of the Institutional Entitlement Offer. For the results of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, see the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009.
4. This does not include any Shares that may subsequently be acquired by the Cornerstone Investor under the Warrants. If Transpacific obtains Shareholder approval for Transpacific Sustain to settle the Warrants by the issue or transfer of Shares, the Warrants become exercisable and the Cornerstone Investor exercises all of the Warrants, the Cornerstone Investor could acquire a further 6.4% to 6.9% voting power in Transpacific, depending on the number of Secondary Placement Shares issued. More details about the Warrants are set out below in Section 9.6.4.

9.6.4 Warrants

Pursuant to the terms of the Subscription Agreement, the Cornerstone Investor will be granted 71,637,326 Warrants. The Warrants will initially be cash-settled but potentially exercisable into Shares.

Transpacific Sustain, a subsidiary of Transpacific, will issue the Warrants to the Cornerstone Investor on the terms and conditions set out in an Equity Warrant Deed to be entered into by Transpacific Sustain, Transpacific and the Cornerstone Investor prior to or on the Institutional Settlement Date. The monetary obligations of Transpacific Sustain in connection with the Warrants will be unconditionally and irrevocably guaranteed by Transpacific.

The Warrants will be granted to the Cornerstone Investor on the Institutional Settlement Date and consist of three tranches:

- 23,879,109 Warrants exercisable from the first anniversary of the Institutional Settlement Date ("Tranche 1 Warrants");
- 23,879,109 Warrants exercisable from 1 July 2011 ("Tranche 2 Warrants"); and

- 23,879,108 Warrants exercisable from 1 July 2012 ("Tranche 3 Warrants").

The Warrants comprising each Tranche will become exercisable at any time from the respective dates referred to above and will expire on the Warrant Expiry Date.

The Warrant Expiry Date will be 30 June 2014 unless it is brought forward upon the occurrence of a Takeover Event, an Insolvency Event or a delisting of the Shares.

If a Takeover Event occurs, the Cornerstone Investor (or any subsequent transferee) may exercise the Warrants during the applicable takeover event period, being the period commencing immediately upon the occurrence of the Takeover Event and ending on the earlier of 60 calendar days after the occurrence of the Takeover Event (or, if later, Transpacific Sustain giving notice of the Takeover Event) and the Warrant Expiry Date.

An Insolvency Event will occur if:

- an application is made or an order is made or a resolution is passed for the winding up of Transpacific Sustain;
- an administrator is appointed, or a resolution is passed to appoint an administrator to Transpacific Sustain;
- Transpacific Sustain is deregistered, or any steps are taken to deregister Transpacific Sustain under the Corporations Act;
- Transpacific Sustain suspends payment of its debts generally; or
- Transpacific Sustain is unable to pay its debts when they are due or presumed to be insolvent under the Corporations Act.

If an Insolvency Event occurs or if a determination is made by Transpacific or ASX that the Shares should be delisted, the Cornerstone Investor (or subsequent transferee) will have the immediate right to exercise the Warrants unless the Warrants are exchanged for replacement equity warrants issued by a subsidiary of Transpacific that have the same economic value and terms as the Warrants.

The Warrant Exercise Price will initially be $1.20. However the terms and conditions of the Warrants contain provisions for the adjustment of the Warrant Exercise Price, the Underlying Entitlement and other terms of the Warrants upon the occurrence of certain dilutive events. Those dilutive events may include, amongst others, share subdivisions or consolidations or reclassification, stock dividends, rights offering and equity issuances at less than the prevailing market price, bonus issues and other analogous dilutive events.

In addition, the Warrant Exercise Price may be adjusted further in the event of a payment of an Extraordinary Dividend. An Extraordinary Dividend is any dividend or distribution (including any distribution of assets in specie and including any buy-back or return of capital) by Transpacific other than a dividend paid in cash in respect of any financial year out of the net profits after tax of Transpacific for that financial year or any dividend in respect of any financial year (whenever paid or made and however described) that, when taken together with any other dividend or dividends previously made or paid by Transpacific in respect of that financial year, equals or exceeds 30% of the net profit after tax of Transpacific for that financial year.

Variations to the terms of the Warrants, including the Warrant Exercise Price, are possible in other circumstances to ensure that the economic value of the Warrants is not adversely affected by those circumstances. Any such variations will be determined by an independent investment bank appointed for that purpose.

The Warrants will not be listed on ASX or on any other exchange and are subject to restrictions on their transferability. The Cornerstone Investor will only be entitled to transfer a Warrant if the transfer complies with all applicable laws and the transfer is to an affiliate of the Cornerstone Investor. The Warrants may also be transferred if the prior written consent of Transpacific Sustain is obtained or the transfer is necessary to ensure that the Cornerstone Investor complies with all laws applicable to it (including on the exercise of the Warrants) provided that there may, at no time, be more than five Warrant holders who are non-affiliates of the Cornerstone Investor. Transferees are subject to similar transfer restrictions.

Each Warrant may only be exercised during the Warrant Exercise Period relating to that Warrant and subject to exercise restrictions relating to blackout periods and the number of exercise notices per calendar quarter. Once exercised, the Cornerstone Investor (or any subsequent transferee) will initially be entitled to receive from Transpacific Sustain the applicable Warrant Settlement Amount, being an amount which is equal to the number of Warrants exercised multiplied by the Underlying Entitlement (being initially one, but subject to adjustment) multiplied by the product of the current market value of the

Shares (based on the 20 day volume weighted average price of the Shares prior to the exercise of the Warrants) minus the Warrant Exercise Price (being initially $1.20, but subject to adjustment). If the Warrant Exercise Price is greater than the 20 day volume weighted average price of the Shares prior to the relevant exercise date, the amount payable by Transpacific Sustain will be zero.

If the Shareholders approve the settling of the Warrants through the issue or transfer of Shares, the Cornerstone Investor (or any subsequent transferee) will not be entitled to receive payment of a Warrant Settlement Amount on exercise of the Warrants. Instead, Transpacific Sustain will be required to settle each Warrant by transferring or procuring the issue or transfer of Shares to the Cornerstone Investor (or any subsequent transferee).

If Transpacific obtains shareholder approval for Transpacific Sustain to settle the Warrants by the issue or transfer of Shares, the Warrants become exercisable and the Cornerstone Investor exercises all of the Warrants, the Cornerstone Investor could acquire a further 6.4% to 6.9% voting power in Transpacific, depending on the number of Secondary Placement Shares issued.

Under the terms of Amended Facility Agreement, if the Warrants are cash-settled or settled by the transfer rather than issue of Shares, Transpacific will be required to issue additional equity to fund the settlement of the Warrants.

Prior to such Shareholder approval being obtained, Transpacific will be required to account for the Warrants as "Financial Instruments", and mark their carrying value to market at the end of each reporting season. This requirement has the potential to increase the volatility of the carrying value of Transpacific's total liabilities and earnings.

9.7 Debt facilities

9.7.1 Amended Facility Agreement

On 14 December 2007 the Company and various subsidiaries entered into the Syndicated Facility with a syndicate of financiers. The Syndicated Facility was amended and restated on 28 March 2008 and further amended on 26 August 2008.

Events of default occurred under the Syndicated Facility as a result of a cross-default due to the breach of one of the financial covenants under the USPP (see below) and due to subsequent breaches of the Net Debt to Adjusted EBITDA and EBITDA to Interest Expense covenants in the Syndicated Facility. As a result, the lenders have reserved their rights in respect of those events of default. In addition, a limited number of other events of default and potential events of default which have arisen under the Syndicated Facility have been identified under the Syndicated Facility and advised to the lenders. If the Equity Raising proceeds all of these events of default will, where they have not already been remedied by the Company, be waived by a majority of the lenders. The Syndicated Facility amendments are expected to become effective on the Institutional Settlement Date (5 August 2009).

The Syndicated Facility is currently divided as follows:

- Facility A, being a A$378 million revolving working capital facility due on 11 December 2009;
- Facility B, being a A$317 million term facility due on 11 December 2009;
- Facility C, being a A$1,280 million term facility due on 14 December 2010; and
- Facility D, being a US$108 million term loan facility due on 14 December 2010.

The Company has received commitments from certain of its financiers under the Syndicated Facility to extend Facility A until 1 July 2014 and following repayment of Facilities C and D as at 14 December 2010 to increase the commitments under Facility A to A$422 million and to provide new Facilities E and F under the Amended Facility Agreement as follows:

- Facility E, being a A$601 million term facility due on 1 July 2013.
- Facility F, being a A$412 million term facility due on 1 July 2014.

The proceeds of the Equity Raising will be used to repay A$50 million of Facility A, fully prepay and cancel the A$317 million Facility B and to partially prepay and cancel Facility C by an amount of approximately A$337 million. Facilities E and F will be able to be drawn on the final repayment dates for Facilities C and D and will be used initially to repay Facilities C and D and thereafter to fund general corporate debt requirements and approved acquisitions.

The availability of the new facilities under the Amended Facility Agreement is subject to the satisfaction of various conditions precedent. These include the successful implementation of the Equity Raising including the raising of a minimum of A$800 million and certain other procedural conditions typical for financings of this type. The Company is also required to place no less than A$695 million of the proceeds of the Equity Raising in a proceeds account with the agent under the Syndicated Facility to be applied solely in the repayment of Facility B and the partial prepayment of Facility C.

The Facilities are available in Australian dollars, Euro, New Zealand dollars and US dollars.

The Amended Facility Agreement contains representations, covenants and defaults that are usual for a facility of this nature or required by the lenders having regard to the nature of Transpacific's business. The Company and the lenders have agreed revised financial covenants under the Amended Facility Agreement.

The Amended Facility Agreement is unsecured but is guaranteed by subsidiaries of the Company. Transpacific has, subject to certain conditions, agreed to pursue in good faith the granting of security in favour of the lenders over the assets of Transpacific and its subsidiaries following the implementation of the Amended Facility Agreement.

It will be a review event under the Amended Facility Agreement if any person other than the Peabody Family or the Cornerstone Investor or any of their Associates and Related Entities has more than 50% of the shares in the Company. If a review event occurs, the Company and the lenders will negotiate for up to 30 days to agree amendments to the finance documents acceptable to them. If no agreement is reached within 30 days of the review event, the majority lenders may elect to take no further action or require that the borrowers repay the facilities within 60 days. If the majority lenders elect to take no further action, each lender not comprising the majority may require the borrowers to repay all amounts owing to that lender within 120 days.

Under the Amended Facility Agreement, the Company has agreed not to pay dividends except where:

- the ratio of net debt (including amounts owing under the convertible notes) to Adjusted EBITDA is less than or equal to 2.75x; or
- the ratio of net debt (including amounts owing under the convertible notes) to Adjusted EBITDA for the previous 12 month period is less than 3.00x and the distributions do not exceed 30% of net profit after tax; or
- the distribution is made pursuant to a fully underwritten dividend reinvestment plan.

The Company is also restricted from redeeming, repurchasing, retiring or repaying in cash any of the convertible notes, the USPP Notes, the TPI SPS or any other hybrid equity instrument issued by it prior to its stated maturity or expiry date (other than in circumstances where it is obliged to do so). The Company will also procure that the Issuer of the TPI SPS does not redeem, repurchase, retire or repay any of the other TPI SPS except by way of an issuance of Shares and, otherwise, that it will not and it will procure that the Issuer of the TPI SPS does not redeem the TPI SPS for cash on a "Step Up Date" (as defined for the purpose of the TPI SPS) unless it funds such redemption with the proceeds of an issue of Shares.

Each financial year representatives from the Company are to meet with the lenders to discuss the capital expenditure (growth and maintenance) budget for the next financial year and also discuss the capital expenditure actually incurred in the previous year. The Company must ensure that its capital expenditure for each financial year does not exceed by more than 20% the capital expenditure forecast in the budget for capital expenditure for that financial year.

The Company is restricted from acquiring, establishing or investing in any business or acquiring any shares or interest in any entity. Subject to certain exceptions, these restrict the Company from making acquisitions with an aggregate value in excess of $250 million in any 12 month period, except where the acquisition includes the acquisition of WSN Environmental Solutions, in which case the Company is restricted from making acquisitions with an aggregate value in excess of $500 million in that 12 month period, provided in both cases the acquisition does not cause, or is not likely to cause, the Company to make undertakings to the ACCC the performance of which would result in the Company breaching the Amended Facility Agreement.

9.7.2 United States Private Placement

The Company entered into a note purchase agreement with note purchasers named therein on 17 December 2007 (Note Purchase Agreement). The agreement provides for the issue and sale of the following notes (the Notes):

- US$80,000,000 Series A Notes due 17 December 2012;
- US$7,000,000 variable rate Series B Notes due 17 December 2012;
- C$15,000,000 Series C Notes due 17 December 2012; and
- US$48,000,000 Series D Notes due 17 December 2017.

Additional information (continued)

As shown under "Significant items" in Section 5.5.2, the 1H2009A interim result included a non-cash, mark-to-market adjustment of $99.0 million (before tax) in relation to certain interest rate swap instruments.

As the mark-to-market of interest rate swap instruments were captured in the definition of net debt under Transpacific's USPP covenants, Transpacific was in breach of its USPP net debt/EBITDA covenant as at 31 December 2008. The breach of covenant under the USPP documentation triggered cross-default provisions under the Syndicated Facility.

As a result, all of Transpacific's debt under its Syndicated Facility, USPP, convertible notes and lease liabilities were classified as current liabilities as at 31 December 2008.

Notwithstanding the above due dates, the USPP contains a put option which enables each noteholder, on 1 September 2012, by written notice, to require the Company to repurchase all or any of the Notes held by it on 17 September 2012 at a price of par plus accrued interest up until that date.

The USPP contains representations, covenants and defaults that are usual for a facility of this nature or required by the noteholders. The Notes are unsecured but are guaranteed by subsidiaries of the Company. Transpacific has, subject to certain conditions, agreed to pursue in good faith the granting of security in favour of the noteholders over the assets of Transpacific and its subsidiaries following the implementation of the Waiver and Amendment to the Note Purchase Agreement.

If a change of control of the Company occurs, the Company is to give notice to the noteholders offering to prepay the notes at par plus accrued interest (and without premium) between 30 and 60 days after the notice. Each noteholder shall notify the Company of their acceptance or rejection of the offer within 10 days prior to the date for payment. If a noteholder fails to respond to a notice of prepayment they are deemed to have rejected the offer to prepay. Change of control means:

(a) any person other than the Peabody Family:
   (i) acquires greater than 50% of the Shares of the Company;
   (ii) has the power to appoint a majority of the members of the Board of Directors of the Company; or
   (iii) otherwise has the power to control the management decisions of the Company; or
(b) the Peabody Family entities do not have substantial control over the management and affairs of the Company.

Any movement in ownership as a result of the Equity Raising will not cause a change of control.

The covenants include compliance with financial covenants which were the subject of a breach by the Company resulting in an event of default. A further event of default occurred under the USPP as a result of a cross-default due to the breach by the Company of certain provisions of the Syndicated Facility (see above).

The Company and the noteholders have entered into a Waiver and Amendment to the Note Purchase Agreement that waives each of the events of default and amends the financial covenants and various other provisions in certain respects, subject to a number of conditions including that the Company receives proceeds of the Equity Raising of at least A$800 million. Upon the effectiveness of the Waiver and Amendment, the interest rate with respect to each series of Notes will increase by 2.00% per annum and one series of floating rate notes will be converted to fixed rate notes. The definition of Change of Control will be amended such that a change of control will occur if any person and its Associates (other than the Peabody Family or the Cornerstone Investor or any of their Associates and Related Entities) has more than 50% of the Shares (as to votes or paid up value) in the Company.

Although the financial covenants in the Note Purchase Agreement and the Syndicated Facility are closely aligned, they are not identical. For instance, the subordinated convertible notes described in Section 9.7.3 are excluded from the calculation of net debt for the purposes of the financial covenants in the Syndicated Facility but are treated as debt for purposes of the financial covenants in the Note Purchase Agreement. In addition, the Note Purchase Agreement has two debt to EBITDA Covenants – one that treats the subordinated convertible notes as debt and one that treats the subordinated convertible notes as equity.

9.7.3 Convertible notes

On 7 and 18 December 2007 the Company issued A$347.5 million in aggregate principal amount of convertible notes which are due for redemption upon their maturity on 7 December 2014. In the event of a winding up of the Company, the convertible notes are subordinated to the claims of specified senior creditors in respect of certain senior financial indebtedness owed to them in accordance with the Trust Deed dated 7 December 2007 between the Company and The Bank of New York, London Branch (the

"Convertible Notes Trust Deed") and bear interest at a rate of 6.75% per annum and are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

Noteholders have the right to convert their convertible notes into Shares in the Company at any time after 17 January 2008 or to require the Company to redeem their convertible notes in certain circumstances. On 30 September 2008 and 14 and 17 November 2008, the Company redeemed and cancelled $38.4 million in aggregate principal amount of the convertible notes.

The number of Shares to be issued on conversion of a convertible note is determined by dividing the principal amount of the convertible note to be converted by the conversion price in effect on the conversion date. The initial conversion price was A$14.8648, which was subsequently reduced to A$14.8234 in accordance with Clause 6(C) of the Terms and Conditions of the Convertible Notes, following a Share placement by Transpacific on 6 October 2008.

As at 14 July 2009 the aggregate principal amount of the convertible notes outstanding was A$309.1 million and the prevailing conversion price was A$14.8234. Accordingly, assuming a conversion date of 30 June 2009 and that all holders of the convertible notes exercise their conversion rights, the number of Shares to be issued on conversion of the convertible notes is 20,852,164, subject to rounding.

The Convertible Notes Trust Deed provides for an adjustment to be made to the conversion price upon the occurrence of certain events relating the share capital of the Company. The issue of Shares under the Equity Raising, and potentially the Secondary Placement and grant of the Warrants, each constitute an event giving rise to an adjustment under the terms of the Convertible Notes Trust Deed. However, as each of such events will occur within such a short period of time, the separate operation of the adjustment provisions in the Convertible Notes Trust Deed may not have the intended result. Accordingly, pursuant to the Convertible Notes Trust Deed, the Company has appointed Grant Samuel as an independent investment bank acting as an expert to calculate the necessary adjustment to the conversion price including by making any modifications to the operation of the provisions of the Convertible Notes Trust Deed as Grant Samuel shall advise in its opinion are appropriate to give the intended effect of the relevant provisions of the Convertible Notes Trust Deed.

The adjusted conversion price, the number of Shares that will fall to be issued on conversion of each convertible note and the date that the adjusted Conversion Price will take effect will be announced to the convertible noteholders and be published on ASX and the SGX-ST as soon as reasonably practicable after completion of the Equity Raising.

9.7.4 Other facilities

The Company and its subsidiaries have also entered into:

- various hedging facilities;
- various leases pursuant to a Master Lease Agreement; and
- various hire purchase agreements pursuant to a Master Hire Purchase Agreement.

9.8 Escrow Agent Agreement

9.8.1 Appointment of Escrow Agents

Transpacific, the Joint Lead Managers, the Cornerstone Investor, the Securities Escrow Agent and the Cash Escrow Agent entered into the Escrow Agent Agreement dated 15 July 2009.

Under the Escrow Agent Agreement, Transpacific, the Joint Lead Managers and the Cornerstone Investor appoint:

- the Securities Escrow Agent to act as escrow agent to hold and control the New Shares offered under the Retail Entitlement Offer and Retail Bookbuild; and
- the Cash Escrow Agent to act as escrow agent to hold and control the Account.

9.8.2 Account for Application Monies

The Cash Escrow Agent has established the Account to hold Application Monies. Transpacific must ensure that all Application Monies received are paid into the Account.

Until applicants under the Retail Entitlement Offer have had their Application Monies refunded or New Shares transferred to them, the Cash Escrow Agent must hold the Application Monies absolutely for the benefit of Transpacific, which must hold its interest in the Account on trust for those applicants pending settlement of the Retail Entitlement Offer in accordance with section 722 of the Corporations Act and the ASIC Modifications.

Additional information (continued)

9.8.3 Conduct of Retail Entitlement Offer

Transpacific is required to conduct and close the Retail Entitlement Offer by 19 August 2009 or such other date agreed between Transpacific, the Joint Lead Managers and the Cornerstone Investor.

9.8.4 Pre-settlement of the Retail Entitlement Offer

Subject to the Cornerstone Investor's subscription under the Initial Placement, on the Institutional Settlement Date:

- the Cornerstone Investor as sub-underwriter will pre-settle the Retail Entitlement Offer by paying an amount comprising the full proceeds of the Retail Entitlement Offer to Transpacific. This will satisfy the Cornerstone Investor's obligation to sub-underwrite the Retail Entitlement Offer under the Sub-Underwriting Agreement; and
- Transpacific will issue all of the New Shares offered under the Retail Entitlement Offer to the Securities Escrow Agent.

9.8.5 Settlement of the Retail Entitlement Offer and Retail Entitlement Bookbuild

The Securities Escrow Agent must hold the New Shares issued to it under the Escrow Agent Agreement for the benefit of the Cornerstone Investor pending settlement of the Retail Entitlement Offer. On the Retail Settlement Date, a reconciliation is to be performed and agreed between Transpacific, the Joint Lead Managers and the Cornerstone Investor. If the reconciliation cannot be agreed within two business days, an audit partner from a major accounting firm is to be appointed to make a determination. Once the reconciliation is agreed:

- the Joint Lead Managers must pay the proceeds of the Retail Entitlement Bookbuild into the Account, at which point the New Shares to be distributed to successful applicants under the Retail Entitlement Bookbuild will be held by the Securities Escrow Agent for the benefit of those successful applicants;
- the Securities Escrow Agent must instruct the Share Registry to process transfers of the New Shares to successful applicants under the Retail Entitlement Offer and the Retail Entitlement Bookbuild and to process transfers of the balance of the New Shares to the Cornerstone Investor (or to an affiliate of the Cornerstone Investor or to a fund managed by an affiliate of the Cornerstone Investor); and
- the Cash Escrow Agent must refund Application Monies held for unsuccessful applicants under the Retail Entitlement Offer and pay the Cornerstone Investor the proceeds of the Retail Entitlement Bookbuild and the Application Monies received from successful applicants under the Retail Entitlement Offer.

Applicants under the Entitlement Offer will not be entitled to any interest on the Account. Any interest on the Account up to settlement of the Retail Entitlement Offer belongs to Transpacific.

Transpacific pays the Cornerstone Investor an amount equivalent to interest on the pre-settled amount until finalisation of the settlement arrangements under the escrow arrangement. The amount is calculated at 9% per annum on Application Monies from valid Applications and 5% per annum on the balance of the pre-settled amount.

9.8.6 Termination

The Escrow Agent Agreement terminates early if either:

- the Subscription Agreement, Sub-Underwriting Agreement or the Underwriting Agreement is terminated before subscription by the Cornerstone Investor on the Institutional Settlement Date as contemplated under the Subscription Agreement; and
- 27 October 2009, if the Retail Settlement Date has not occurred by that date or another date agreed between Transpacific, the Joint Lead Managers and the Cornerstone Investor.

If the Escrow Agent Agreement is terminated:

- the Securities Escrow Agent will continue to hold the New Shares held by it under the Escrow Agent Agreement for the benefit of the Cornerstone Investor and must deal with those New Shares in accordance with the Cornerstone Investor's directions; and
- the Cash Escrow Agent must hold the balance of the Account for the benefit of Transpacific, which must hold its interest in the account on trust for applicants under the Retail Entitlement Offer.

If the Underwriting Agreement is terminated then each Joint Lead Manager ceases to be a party to the Escrow Agent Agreement and, to the extent the Escrow Agent Agreement requires a Joint Lead Manager to do any act, matter or thing following termination of the Underwriting Agreement, Transpacific must do that act, matter or thing and has those rights.

9.8.7 Supplementary prospectus

If Transpacific forms the view or becomes aware, or a Joint Lead Manager forms the opinion (acting reasonably), that this Prospectus is defective or that there is a new circumstance requiring prospectus disclosure and the defect or new circumstance is materially adverse from the point of view of an investor, then the Escrow Agent Agreement requires Transpacific to comply with the directions of the Joint Lead Managers, direct the Cash Escrow Agent to repay Application Monies to applicants under the Retail Entitlement Offer and, unless Transpacific is insolvent or there is a reasonable prospect that it will be insolvent, issue a Supplementary Offer Document and continue with the Retail Entitlement Offer. The Entitlement Offer Period is to be extended in that circumstance so that Eligible Retail Shareholders have at least 14 days to re-apply.

If a further materially adverse defect or new circumstance arises after lodgement of the Supplementary Offer Document, the Escrow Agent Agreement provides that the Retail Entitlement Offer would continue, but that applicants would be permitted to withdraw following settlement of the Retail Entitlement Offer in accordance with the process under the Corporations Act. The Escrow Agent Agreement provides that the Retail Entitlement Offer would not continue if Transpacific is insolvent or if there is a reasonable prospect that it will be insolvent, and that Transpacific would direct the Cash Escrow Agreement to repay Application Monies to applicants under the Retail Entitlement Offer.

9.8.8 Indemnities and limitations of liability

The Securities Escrow Agent and Cash Escrow Agent are each required to exercise all due care and to act honestly in good faith in carrying out their respective obligations under the Escrow Agent Agreement.

Under the Escrow Agent Agreement Transpacific provides indemnities and limitations of liability in favour of the Cash Escrow Agent, Securities Escrow Agent, Joint Lead Managers, the Cornerstone Investor and their respective agents, officers and employees.

9.9 Rights and liabilities attaching to New Shares

The New Shares will be issued fully paid and will rank equally with Existing Shares.

The rights and liabilities attaching to Shares are set out in the Constitution and the Corporations Act and are subject to the ASX Listing Rules, the ASTC Settlement Rules and the general law.

The principal rights and liabilities of the Shareholders as set out in the Constitution are summarised below. The summary is not a definitive statement of those matters, which can involve complex questions arising from the interaction of the Constitution, statutes, common law and the ASX Listing Rules requirements. To obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, investors should seek their own advice.

9.9.1 Voting

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and one vote on a poll for each fully paid share held. Voting at any meeting of Shareholders is by a show of hands unless a poll is demanded. A poll may be demanded by at least five Shareholders entitled to vote on the resolution, Shareholders with at least 5% of the votes that may be cast on the resolution on the poll, or the Chairman.

9.9.2 Dividends

The Directors may from time to time pay dividends to Shareholders out of the profits of Transpacific. The Directors may pay any interim and final dividends as, in their judgement, the financial position of Transpacific justifies. The Directors may fix the amount and the method of payment of the dividends. The payment of a dividend does not require any confirmation by a general meeting. Subject to any special rights attaching to Shares with special dividend rights, of which none are currently on issue, all dividends must be paid equally on all Shares and in proportion to the number of, and the amounts paid on, the Shares held.

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

Additional information (continued)

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

Under the Process Deed, Transpacific has agreed not to pay dividends if immediately following the declaration or payment Transpacific has a net debt (including convertible notes) to Adjusted EBITDA ratio of greater than 2.85x without the approval of the Cornerstone Investor.

Under the Amended Facility Agreement and the amendments to the USPP, Transpacific has agreed not to pay dividends except where:

- the ratio of net debt (including convertible notes) to Adjusted EBITDA is less than or equal to 2.75x; or
- the ratio of net debt (including convertible notes) to Adjusted EBITDA for the previous 12 month period is less than 3.00x and the distributions do not exceed 30% of net profit after tax; or
- the distribution is made pursuant to a fully underwritten dividend reinvestment plan.

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 prevailing economic conditions, capital expenditure requirements and opportunities, acquisition opportunities and debt management.

9.9.3 Issue of further Shares

The Directors may (subject to the restrictions on the issue of Shares imposed by the Constitution, the ASX Listing Rules and the Corporations Act) issue, grant options in respect of, or otherwise dispose of further Shares on terms and conditions (including preferential, deferred or special rights, privileges or conditions, or restrictions) as they see fit.

Under the terms of the Process Deed, while the Cornerstone Investor and its affiliates hold more than 15% of issued Shares, the Cornerstone Investor's consent will be required to undertake non-pro-rata equity raisings, subject to certain exceptions. See Section 9.6.1.

9.9.4 Variation of class rights

Subject to the Corporations Act and their terms of issue, the rights attaching to any class of Shares may be varied with the written consent of at least 75% of the holders of Shares in the class or by a special resolution passed at a separate meeting of the holders of Shares of the class. In either case, the holders of not less than 10% of the votes in the class of Shares whose rights have been varied or cancelled may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation. The creation or issue of further Shares ranking equally with a class of Shares already on issue is not a variation of class rights.

9.9.5 Transfer of Shares

Shareholders may transfer Shares by a written transfer instrument in the usual form or any form approved by the Directors or by a proper transfer effected in accordance with the ASTC Settlement Rules and ASX requirements. All transfers must comply with the Constitution, the ASX Listing Rules, the ASTC Settlement Rules and the Corporations Act. The Directors may refuse to register a transfer of Shares, including in circumstances where the transfer is not in registrable form, or the refusal to register the transfer is permitted by the ASX Listing Rules or ASX. The Directors must refuse to register a transfer of Shares where required to do so by the ASX Listing Rules. If the Directors decline to register a transfer, Transpacific must give notice of the refusal and the reasons for the refusal as required by the Corporations Act and the ASX Listing Rules. Subject to the Corporations Act, ASX Listing Rules and ASTC Settlement Rules, the Directors may suspend the registration of transfers at such times and for such periods as they determine.

9.9.6 Share buy-backs

Transpacific may buy back Shares in itself in accordance with the provisions of the Corporations Act.

9.9.7 General meeting and notices

Each Shareholder is entitled to receive notice of, and except in certain circumstances, attend and vote at general meetings of Transpacific and receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution or the Corporations Act.

9.9.8 Winding up

Subject to any special resolution or rights or restrictions attaching to any class or classes of Shares, Shareholders will be entitled on a winding up to a share in any surplus assets of Transpacific in proportion to the Shares held by them.

9.9.9 Sale of non-marketable parcels

The Constitution provides that the Directors may cause Transpacific to sell a Shareholder's Shares, if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the ASX Business Rules and is, generally, a holding of Shares with a market value of less than $500.

9.9.10 Directors – appointment and removal

The minimum number of Directors is three and the maximum is 10, unless the Shareholders pass a resolution altering the maximum or minimum number. Directors are elected at annual general meetings of Transpacific. Retirement will occur on a rotational basis so that generally one-third of the Directors plus any Director who has held office no later than the longer of the third annual general meeting or three years following that Director's last election or appointment (excluding the Managing Director), must retire at each annual general meeting of Transpacific. A Director retiring by rotation may, subject to certain restrictions, offer themselves for re-election. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of Transpacific.

Under the terms of the Process Deed, while the Cornerstone Investor and its affiliates hold more than 15% of issued Shares, the Cornerstone Investor is entitled to nominate one Director and participate in the selection of two other persons to be appointed as independent Non-Executive Directors. See Section 9.6.1.

9.9.11 Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. If the votes are equal on a proposed resolution, provided Terry Peabody, his family and/or their associates own more than 50% of the Shares, the Chairman has a casting vote. In all other circumstances the Chairman does not have a casting vote.

9.9.12 Directors – remuneration

The Non-Executive Directors are entitled to be paid fees for their services as a Director as the Directors decide, but the total amount provided to all Directors for such services must not exceed in aggregate in any financial year the maximum aggregate sum as may be approved from time to time by a general meeting of Transpacific. The current maximum aggregate sum is $750,000. Any change to that aggregate sum needs to be approved by Shareholders. At present there are no retirement benefits payable to a Non-Executive Director upon their retirement. The Constitution also makes provision for Transpacific to pay all reasonable expenses of Directors in attending meetings and carrying out their duties.

9.9.13 Directors' and officers' indemnity

Under the Constitution, Transpacific must, on a full indemnity basis and to the full extent permitted by law, indemnify each person who is or has been a Director or secretary of Transpacific, against any liability (including costs and expenses) incurred by that person. To the extent permitted by law, Transpacific may insure a Director or secretary against any liability incurred by that person and may also enter into an agreement or deed with a Director, secretary or person who is, or has been an officer of Transpacific (or a subsidiary of Transpacific), requiring Transpacific:

- to allow that person access to the books of Transpacific;
- to indemnify that person against any liability;
- to make a payment in respect of the legal costs of that person; or
- to keep that person insured in respect of any act or omission by that person while an officer of Transpacific (or a subsidiary of Transpacific).

Transpacific has entered into a deed of access, indemnity and insurance with each Director, which confirms the Directors' right of access to Board papers and requires Transpacific to indemnify the Director for liability incurred as an officer and promoter of Transpacific, subject to the restrictions imposed by the Corporations Act and the terms of the Constitution.

Additional information (continued)

9.9.14 Amendment

The Constitution may be amended only by a special resolution passed by at least three quarters of the votes cast by Shareholders entitled to vote on the resolution. Currently, the Corporations Act requires at least 28 days' written notice specifying the intention to propose the resolution to be given.

9.10 Ownership restrictions

The sale and purchase of Shares is regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section contains a general description of these laws.

9.10.1 Foreign Acquisitions and Takeovers Act

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) applies to acquisitions of Shares and voting power in a company of 15% or more by a single foreign person and its associates (substantial interest), or 40% or more by two or more unassociated foreign persons and their associates (aggregate substantial interest). Where an acquisition of a substantial interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Federal Government's "Foreign Investment Policy" or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a substantial interest or an aggregate substantial interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

The Cornerstone Investor has obtained approvals from FIRB and the New Zealand Overseas Investment Office to enable it to meet its commitments to subscribe for Shares under the Subscription Agreement and the Sub-Underwriting Agreement.

9.10.2 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in Transpacific.

9.11 Litigation

Transpacific is not otherwise a defendant party to any current material litigation and the Directors have no knowledge of any potential material litigation against the Company, with the exception of the following two matters:

1. A claim by the New Zealand Commerce Commission (NZCC) in relation to allegations of anti-competitive conduct by an employee of Transpacific in mid-2005. Details of the case are as follows:
   (a) The NZCC commenced proceedings in the High Court of New Zealand on 27 March 2009.
   (b) The allegations are against ERS New Zealand Ltd (a New Zealand registered subsidiary of Transpacific) and an employee of Transpacific (who is also a director of ERS New Zealand Ltd) for attempting to reach an agreement with a competitor in the New Zealand used oil market with respect to price.
   (c) The allegations are denied and are being defended.
2. The Victorian Environment Protection Authority (**EPA**) commenced proceedings in the Victorian Magistrates' Court on 10 December 2008 against AJ Baxter Pty Ltd (**Baxter**), a wholly owned subsidiary of the Company, for $1,756,660.90 in unpaid landfill levies, plus interest and costs.

   The EPA asserts that the unpaid levies arise as a result of:

   (a) over claimed rebates by Baxter for recycled waste during FY2004, FY2005 and FY2006 for the Victory Road, Clarinda site; and
   (b) incorrectly categorised waste in FY2004 in the Baxter Annual Landfill Levy Statement.

   Baxter was not a subsidiary of the Company in FY2004, FY2005 or FY2006.

9.12 Interests of Directors

9.12.1 Interests

Except as set out in this Prospectus, no Director or proposed Director of Transpacific holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of Transpacific;
- the Entitlement Offer; or
- any property acquired or proposed to be acquired by Transpacific in connection with the formation or promotion of Transpacific or the Entitlement Offer,

other than in their capacity as a Shareholder.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director of Transpacific:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of Transpacific or the Entitlement Offer.

9.12.2 Holdings of Transpacific Shares and options

The Directors in office at the date of this Prospectus are listed below together with details of their relevant interests in Transpacific securities at that date.

Director	Number of Shares	Number of options over unissued Shares
Terrence Elmore Peabody – *Executive Chairman*	119,072,853[1]	0
Trevor John Coonan – *Chief Executive Officer, Executive Director*	1,275,384[2]	433,334[3]
Harold William Grundell – *Executive Director*	625,714[2]	100,000[3]
Bruce Robert Brown – *Non-Executive Director and Deputy Chairman*	150,000	0
Graham David Mulligan – *Non-Executive Director*	82,810	0
Bruce Stewart Allan – *Non-Executive Director*	9,261	50,000[4]

Notes:

1. Relevant interests shown as being held by Terry Peabody are held by Tandom Pty Ltd (39,741,280 Shares), Brenzil Pty Ltd (36,527,759 Shares) and Filmore Ltd (42,803,815 Shares) which are entities owned by Terry Peabody, his family and/or their associates and include the Shares to be acquired as described in the section "Arrangements with executives" below.
2. Refer to the arrangements described in the section "Arrangements with executives" below pursuant to which each will sell their shares.
3. Options held by Messrs Coonan and Grundell are exercisable on or before 31 July 2009 and 31 July 2010 subject to vesting and performance hurdles being met.
4. Options held by Mr Allan are exercisable on or before 31 July 2010, subject to vesting and performance hurdles being met.

Intentions of Directors

Each Director will be entitled to participate in the Entitlement Offer to the extent that the Director holds Shares at the Record Date.

Intentions of Peabody Family

The Peabody Family including their associates currently intend to participate in the Entitlement Offer to the extent of subscribing for 58,333,333 New Shares under the Institutional Entitlement Offer.

The Peabody Family will own approximately 177.4 million Shares or 18.5% of Shares on issue following the Equity Raising before the issue of any Shares under the Secondary Placement and/or pursuant to the Warrants. The Peabody Family will own approximately 16.9% of Shares on issue if the maximum number of Secondary Placement Shares is issued under the Secondary Placement.

Additional information (continued)

Loans to executives

The Company provided temporary interest bearing loans to certain executives of the Company totalling $8,525,369 ($8,292,000 as at 31 December 2008). The loans including accrued interest were repaid in full prior to the lodgement of this Prospectus with ASIC. Funding for the repayment of the majority of the loans was provided to the executives by Filmore Limited, a company associated with the Peabody Family.

Arrangements with executives

Conditional on settlement under the Subscription Agreement, on the Institutional Settlement Date the Cornerstone Investor, or its nominee, and Filmore Limited, will each separately and independently purchase 50% of some or all of the Shares held by five Transpacific executives, as follows:

Executive	Number of Shares to be sold	Shares to be purchased by the Peabody Family	Shares to be purchased by the Cornerstone Investor
Trevor Coonan	1,275,384	637,692	637,692
Terry Woods	569,873	284,936	284,937
Harold Grundell	625,714	312,857	312,857
Paul Glavac	227,874	113,937	113,937
Kellie Smith	75,004	37,502	37,502

The purchase of the Shares from the executives will be on the following terms:

- The purchase price will be $3.00 per Share.
- The sale proceeds will be applied in repayment of the loans from Filmore Limited referred to above.
- The Cornerstone Investor and Filmore Limited will separately have put options, if exercised, to require the executives to repurchase the Shares after five years, at a purchase price of $4.50 per Share. A put option to an executive may be exercised immediately at the price of $4.50 if the executive is dismissed from employment for cause, or leaves to take a position with a competitor of Transpacific.
- Both the Cornerstone Investor and Filmore Limited will separately grant each executive a call option to repurchase their Shares, exercisable at any time in the five years following the Institutional Settlement Date. The call option exercise price will be $3.25 from the Institutional Settlement Date and will be reset on each anniversary of the Institutional Settlement Date as follows:

Anniversary	Exercise Price
1st	$3.53
2nd	$3.83
3rd	$4.15
4th	$4.50

An executive's call option will expire (at the discretion of the Cornerstone Investor or Filmore Limited as the case may be) if the executive ceases to be employed by Transpacific for any reason.

9.13 Interests of experts and advisers

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of Transpacific; or
- broker or underwriter to the Entitlement Offer,

(each a relevant person) holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Transpacific;
- the Entitlement Offer; or

- any property acquired or proposed to be acquired by Transpacific in connection with the formation or promotion of Transpacific or the Entitlement Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of Transpacific or the Entitlement Offer. The amounts below are exclusive of GST.

Deutsche Bank and Macquarie are acting as Joint Lead Managers to the Entitlement Offer, in respect of which they will receive fees (see Section 9.5.1). Related bodies corporate of the Joint Lead Managers who hold Transpacific Shares may be entitled to participate in the Entitlement Offer by virtue of their shareholdings.

Clayton Utz has acted as Australian legal adviser to Transpacific in connection with the Entitlement Offer. In aggregate, Transpacific has paid or agreed to pay Clayton Utz approximately $980,000 (excluding disbursements and GST) for these services to the date of this Prospectus. Further amounts may be paid to Clayton Utz in accordance with its normal time-based charges.

Ernst & Young Transaction Advisory Services Limited has acted as Independent Accountant in relation to the Entitlement Offer. Transpacific has paid or agreed to pay Ernst & Young Transaction Advisory Services Limited approximately $625,000 (excluding disbursements and GST) for these services to the date of this Prospectus. Further amounts may be paid to Ernst & Young Transaction Advisory Services Limited in accordance with its normal time-based charges.

9.14 Expenses of the Entitlement Offer

The total expenses of the Entitlement Offer and Secondary Placement, including underwriting, advisory, legal, accounting, tax, marketing and administrative fees as well as printing, advertising and other expenses related to this Prospectus and the Entitlement Offer, are expected to be approximately $24.5 million. These expenses will be paid by Transpacific from the proceeds of the Equity Raising and Secondary Placement (if applicable).

9.15 Regulatory matters

ASX waivers

ASX has granted Transpacific a waiver of ASX Listing Rule 7.7 so as not to require Transpacific to extend the Retail Entitlement Offer to Shareholders in New Zealand.

ASX has granted waivers of ASX Listing Rules 3.20.2 and 7.40 to the extent necessary to permit the Entitlement Offer to proceed on the timetable described in this Prospectus.

In connection with the Entitlement Offer, ASX has granted to Transpacific waivers from ASX Listing Rules 7.1 and 10.11 to the extent necessary to:

- permit Transpacific to make the Initial Placement and the Entitlement Offer in the manner described in this Prospectus without the requirement to obtain Shareholder approval; and
- permit related parties of Transpacific to participate in the Entitlement Offer on the same terms as other Shareholders without the requirement to obtain Shareholder approval.

The ASX Listing Rule 7.1 waiver is subject to the following conditions:

- On or before the Record Date, Eligible Institutional Shareholders may be invited by Transpacific to subscribe for a number of Shares equal to their pro-rata allocation of the Entitlement Offer.
- Entitlements not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer, and Entitlements which would have been offered to Ineligible Institutional Shareholders may be offered to certain Institutional Investors via the Institutional Entitlement Bookbuild.
- Institutional Shareholders and Ineligible Institutional Investors who sell down their holdings before the Record Date have their pro-rata allocations reduced accordingly.
- Eligible Retail Shareholders are offered a number of Shares at least equal to their pro-rata allocation of the Retail Entitlement Offer.
- Entitlements not taken up in the Retail Entitlement Offer, and Entitlements which would have been offered to Ineligible Retail Shareholders, are offered to Institutional Investors via the Retail Entitlement Bookbuild.
- Shares are offered under the Institutional Entitlement Offer and the Retail Entitlement Offer at the same price.

Additional information (continued)

The ASX Listing Rule 10.11 waiver permits related parties of Transpacific to participate in the Entitlement Offer on the same terms as other Eligible Shareholders without a requirement to obtain Shareholder approval. The waiver is subject to the same conditions imposed in relation to the waiver from ASX Listing Rule 7.1. Additionally, it is a condition of this waiver that the related parties only participate in the Entitlement Offer up to the extent of their pro-rata Entitlement, unless they do so pursuant to a bona fide underwriting or sub-underwriting arrangement disclosed in the Prospectus.

The waivers set out the arrangements for dealing with holdings registered in the names of nominees. In particular, a nominee Shareholder is treated as a separate holder in respect of securities held for each of one or more Eligible Retail Shareholders and Eligible Institutional Shareholders (and, accordingly, may receive offers under both the Institutional Entitlement Offer and the Retail Entitlement Offer in respect of Shares held as nominee for other persons). Offers under the Institutional Entitlement Offer will be treated as being made to the nominee, and therefore to an Eligible Institutional Shareholder, even where made directly to the Eligible Institutional Shareholder for whom the nominee holds.

The waivers also allow Transpacific to ignore, for the purposes of determining those entitled to receive Entitlements (both under the Institutional Entitlement Offer and the Retail Entitlement Offer) transactions occurring after the announcement to the market on 15 July 2009 (other than registrations of ITS (Integrated Trading System) transactions which were effected before the announcement) ("**Post Ex-Date Transactions**"). Transactions ignored under this provision are to be ignored in determining holders and registered holders, and holdings and registered holdings, of Shares at the Record Date, and references to such holders, registered holders, holdings and registered holdings are to be read accordingly. Therefore, if you have acquired Shares in a Post Ex-Date Transaction you will not be entitled to receive an Entitlement in respect of those Shares.

In respect of the Secondary Placement, ASX has granted a waiver from ASX Listing Rule 7.1 to the extent necessary to permit Transpacific to calculate the number of Shares which it may issue, or agree to issue, without Shareholder approval under the Secondary Placement. This is on the following conditions:

- The Secondary Placement Shares issued under the Secondary Placement are to be included in variable "C" in the formula under ASX Listing Rule 7.1, until their issue has been ratified by Shareholders.
- The Entitlement Offer is fully underwritten.

ASIC relief

ASIC has granted the following relief in relation to the Entitlement Offer:

- A modification of subsection 729(1) of the Corporations Act the effect of which is that neither the Securities Escrow Agent, the Cornerstone Investor or their respective directors are liable under section 729(1) in connection with this Prospectus.
- A modification of section 700 of the Corporations Act the effect of which is that, for the purposes of Chapter 6D of the Corporations Act, Transpacific is deemed to offer the New Shares offered under this Prospectus.
- A modification of subsection 722(1) of the Corporations Act the effect of which is to permit the Application Monies to be held by the Cash Escrow Agent on Transpacific's behalf under the Escrow Agent Agreement as described in Section 9.8.
- A modification of section 611 of the Corporations Act so that acquisitions of New Shares by the Joint Lead Managers as underwriters and the Cornerstone Investor as sub-underwriter to the Entitlement Offer are exempt from the restrictions on voting power under section 606 of the Corporations Act as described in Section 9.10.2. The modification inserts a new section 611 Item 10B that effectively extends the existing exemption for rights issues so that it applies to the Entitlement Offer and also omits the application of section 615 of the Corporations Act from the Entitlement Offer.
- An exemption from section 606(1) of the Corporations Act to the extent that there is an acquisition of interests in New Shares by the Securities Escrow Agent, Transpacific or the Peabody Family which results from the Entitlement Offer given the structure of the Entitlement Offer and the pre-settlement and escrow arrangements described in Section 9.8.

9.16 Withdrawal of Entitlement Offer

Transpacific and the Directors reserve the right to withdraw all or part of the Entitlement Offer and this Prospectus at any time prior to the transfer of New Shares to applicants under the Retail Entitlement Offer and Retail Entitlement Bookbuild, in which case Transpacific will direct the Cash Escrow Agent to refund Application Monies as soon as practicable in relation to New Shares not already transferred to Eligible Retail Shareholders in accordance with the Corporations Act and without any payment of interest.

9.17 Consents

Each of the parties referred to as consenting parties who are named below:

- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified in this Section;
- does not cause or authorise the issue of the Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus or any statements in or omissions from this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that person as specified in this Section 9.17;
- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named; and
- in the case of Ernst & Young Transaction Advisory Services Limited, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent for the inclusion of the Independent Accountant's Report in Section 7 of this Prospectus in the form and context in which the report is included.

Role	Consenting party
Joint Lead Managers	Deutsche Bank AG, Sydney Branch and Macquarie Capital Advisers Limited
Australian Legal Adviser	Clayton Utz
Independent Accountant	Ernst & Young Transaction Advisory Services Limited
Auditor	Bentleys
Share Registry	Computershare Investor Services Pty Limited

Each of WP X Holdings BV and Warburg Pincus LLC:

- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified in this Section;
- does not cause or authorise the issue of the Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus or any statements in or omissions from this Prospectus, other than statements included in this Prospectus in the following terms ("WP Statements"):
  - "The Cornerstone Investor is an affiliate of Warburg Pincus, a leading global private equity firm. Warburg Pincus invests in a range of sectors and has an active portfolio of more than 100 companies diversified by stage, sector and geography. Warburg Pincus has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Shanghai and Tokyo."
  - "The Cornerstone Investor has advised Transpacific that at this stage it does not have any other specific intentions relating to the governance of Transpacific."
  - "The Cornerstone Investor does not intend to assign or transfer its sub-underwriting rights or obligations."
  - "The Cornerstone Investor does not have any specific intentions in relation to any shortfall above the minimum of approximately 18.3%."
  - "The Cornerstone Investor has obtained approvals from FIRB and the New Zealand Overseas Investment Office to enable it to meet its commitments to subscribe for Shares under the Subscription Agreement and the Sub-Underwriting Agreement."
- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to inclusion of the WP Statements in this Prospectus in the form and context in which the WP Statements are included.

Additional information (continued)

9.18 Privacy

As a Shareholder, Transpacific and the Share Registry have already collected certain personal information from you. If you apply for New Shares, Transpacific and the Share Registry may update that personal information or collect additional personal information. Such information will be used to assess your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, if at all.

Transpacific and the Share Registry may disclose your personal information for purposes related to your shareholding to their agents and service providers, including those listed below or otherwise authorised under the Privacy Act:

- the Joint Lead Managers in order to assess your Application;
- the Share Registry for administration of the Entitlement Offer and ongoing administration of the Transpacific share register; and
- printers and mailing houses for the purposes of preparation and distribution of Shareholder statements and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) Transpacific or the Share Registry. You can request access to your personal information by contacting the Share Registry as follows:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
(within Australia) 1300 552 270
(outside Australia) +61 3 9415 4000

If Transpacific's or the Share Registry's record of your personal information is incorrect or out of date, it is important that you contact the Share Registry so that your records can be corrected.

9.19 Consents to lodgement

Each Director has given, and has not withdrawn, their consent to the issue of this Prospectus and to its lodgement with ASIC under the Corporations Act.

9.20 Governing law

This Prospectus, the Retail Entitlement Offer and the contracts formed on acceptance of Applications are governed by the laws applicable in Queensland, Australia. Each applicant for New Shares submits to the exclusive jurisdiction of the courts of Queensland, Australia.

Glossary

In this Prospectus and the accompanying Entitlement and Acceptance Form, terms and abbreviations have the following meanings unless the context otherwise requires.

Terms and abbreviations	Meaning
$** or **A$ or **dollars**	Australian dollars.
1H2009A	The six months ended 31 December 2008.
2H2009F	The six months ending 30 June 2009.
AAS	Australian Accounting Standards.
ACCC	Australian Competition and Consumer Commission.
Account	An account established in the name of the Cash Escrow Agent to hold Application Monies under the Escrow Agent Agreement.
Adjusted EBITDA	EBITDA adjusted to: • include share of associates' NPAT distributed to Transpacific; • include the annualised EBITDA from acquisitions made during the period; • exclude the EBITDA attributable to assets disposed of during the period; and • exclude mark-to-market movements in relation to hedging transactions and available for sale assets.
Amended Facility Agreement	The amended and restated Syndicated Facility entered into between Transpacific and certain of its syndicated financiers on 25 June 2009, as described in Section 9.7.
Application	An application to subscribe for New Shares pursuant to the Retail Entitlement Offer.
Application Monies	Monies received from applicants in respect of their Applications.
ASIC	Australian Securities and Investments Commission.
ASIC Modifications	The modifications and other relief granted by ASIC on 13 and 14 July 2009 in respect of the Retail Entitlement Offer. See Section 9.15 for details.
ASTC Settlement Rules	The ASTC Settlement Rules issued by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by that entity known as the Australian Securities Exchange.
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any written waiver granted by ASX.
ATO	Australian Taxation Office.
Board	The board of directors of Transpacific.
C$	Canadian dollars.
Cash Escrow Agent	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
CGT	Capital gains tax.
CHESS	Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).
Clearing Price	The amount(s) payable per New Share: • in respect of the Institutional Entitlement Bookbuild through the Institutional Entitlement Bookbuild process, as set out in the ASX announcement "Results of Institutional Entitlement Offer" lodged with ASX on 20 July 2009; or • in respect of the Retail Entitlement Bookbuild, through the Retail Entitlement Bookbuild process, which may be equal to or above the Entitlement Offer Price. The Clearing Price in respect of the Institutional Entitlement Bookbuild may differ from the Clearing Price in respect of the Retail Entitlement Bookbuild.

Glossary (continued)

Terms and abbreviations	Meaning
Closing Date	5.00pm (Brisbane time) on 17 August 2009, being the latest time and date by which Entitlement and Acceptance Forms and BPAY payments of Application Monies will be accepted under the Retail Entitlement Offer (subject to variation).
Company or Transpacific	Transpacific Industries Group Ltd (ABN 74 101 155 220).
Constitution	The constitution of Transpacific.
Cornerstone Investor	WP X Holdings B.V, a company registered in the Netherlands.
Corporations Act	Corporations Act 2001 (Cth) and its regulations.
CY	The calendar year ended or ending 31 December as the context requires.
Deutsche Bank	Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162).
Director	A director of Transpacific.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Eligible Institutional Shareholder	An Institutional Shareholder to whom the Joint Lead Managers make an offer on behalf of Transpacific under the Institutional Entitlement Offer, and who the Joint Lead Managers determine has successfully received that offer.
Eligible Retail Shareholder	A Shareholder on the Record Date who: • has a registered address in Australia; • is not in the United States and is not a US Person or acting for the account or benefit of a US Person; and • is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.
Eligible Shareholder	A person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.
Entitlement	The number of New Shares for which an: • Eligible Retail Shareholder is entitled to subscribe under the Retail Entitlement Offer; and • Eligible Institutional Shareholder is entitled to subscribe under the Institutional Entitlement Offer (including the Cornerstone Investor in respect of the Initial Placement Shares), in each case being 1.77 New Shares for every 1 Existing Share held on the Record Date.
Entitlement and Acceptance Form	Each personalised Entitlement and Acceptance Form accompanying this Prospectus upon which an Application may be made.
Entitlement Offer or Offer	The offer of approximately 613.8 million New Shares to Eligible Shareholders in the proportion of 1.77 New Shares for every 1 Existing Share held on the Record Date. The Entitlement Offer comprises four parts: the Institutional Entitlement Offer, the Institutional Entitlement Bookbuild, the Retail Entitlement Offer and the Retail Entitlement Bookbuild.
Entitlement Offer Period	The period commencing on the opening date of the Retail Entitlement Offer, as specified in the "Key dates" section of this Prospectus, and ending on the Closing Date.

Terms and abbreviations	Meaning
Entitlement Offer Price	The price payable for each New Share under the Entitlement Offer, being $1.20.
EPS	Earnings per share.
Equity Raising	The Initial Placement and the Entitlement Offer.
Equity Security	An unsecured convertible note with a face value of $1.00 issued to the Cornerstone Investor under the Subscription Agreement and providing for the issue of 35,818,663 Initial Placement Shares to the Cornerstone Investor on its payment of the Initial Placement Proceeds on or before the Institutional Settlement Date.
Equity Security Deed	The equity security deed entered into between Transpacific and the Cornerstone Investor dated 15 July 2009 in respect of the Equity Security.
Equity Warrant Deed	The equity warrant deed to be entered into between Transpacific, Transpacific Sustain and the Cornerstone Investor as described in Section 9.6.4.
Escrow Agent Agreement	The escrow agent agreement entered into between Transpacific, the Cornerstone Investor, the Joint Lead Managers, the Securities Escrow Agent and the Cash Escrow Agent dated 15 July 2009 as described in Section 9.8.
Existing Share	A Share on issue on or before the Record Date.
Financial Information	As defined in Section 5.1.
FIRB	The Treasurer of the Commonwealth of Australia as advised by the Australian Foreign Investment Review Board.
FY	The financial year ended or ending 30 June as the context requires.
FY2008A	The year ended 30 June 2008.
FY2009F	The year ending 30 June 2009.
FY2009PF	The year ending 30 June 2009 as though the Recapitalisation had been completed on 30 June 2008.
Grant Samuel	Grant Samuel Corporate Finance Pty Limited (ABN 84 076 176 657).
Group	Transpacific and all its subsidiaries, associates and joint ventures or the subsidiary company and its associates and joint ventures as the context requires.
Holding	A securities holding established in the name of the Securities Escrow Agent to hold the New Shares offered under the Retail Entitlement Offer for the purposes of the Escrow Agent Agreement.
Independent Accountant	Ernst & Young Transaction Advisory Services Limited.
Ineligible Institutional Shareholder	A Shareholder (or a beneficial owner of Transpacific Shares) on the Record Date who is not an Eligible Institutional Shareholder and who Transpacific and the Joint Lead Managers agree: • although an Institutional Investor, should not receive an offer under the Institutional Entitlement Offer in accordance with ASX Listing Rule 7.7.1(a); or • although not an Institutional Investor, is a person to whom offers and issues of New Shares could lawfully be made in Australia without the need for disclosure under Chapter 6D of the Corporations Act if that Shareholder had received the offer in Australia, and who should be treated as an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.
Ineligible Retail Shareholder	A Shareholder on the Record Date who is not an: • Eligible Institutional Shareholder; • Ineligible Institutional Shareholder; nor an • Eligible Retail Shareholder.

Glossary (continued)

Terms and abbreviations	Meaning
Initial Placement	The issue of 35,818,663 Shares to the Cornerstone Investor in accordance with the terms and conditions of the Equity Security.
Initial Placement Price	The price payable for each Initial Placement Share to be issued under the Initial Placement, being $1.80 per Initial Placement Share.
Initial Placement Proceeds	The Initial Placement Shares multiplied by the Initial Placement Price.
Initial Placement Shares	The 35,818,663 new Shares to be issued on conversion of the Equity Security.
Institutional Entitlement Bookbuild	The first bookbuild conducted in respect of the Entitlement Offer, being in respect of the Institutional Entitlement Offer, as described in Section 2.13.2 and the concurrent US Private Placement.
Institutional Entitlement Offer	The offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer as described in Section 2.13.1 and the concurrent US Private Placement.
Institutional Investor	A person to whom an offer of New Shares may be made: • in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is exempt from the disclosure requirements of Part 6D.2 in accordance with sections 708(8) or 708(11) of the Corporations Act and who is not a US Person or acting for the account or benefit of a US Person; or • outside Australia without registration, lodgement or approval with or by a government authority or agency (except to the extent to which Transpacific is willing to comply with such requirements) and who is not in the United States, is not a US Person and is not acting for the account or benefit of a US Person.
Institutional Premium	The meaning given in Section 2.13.2.
Institutional Settlement Date	5 August 2009, being the date for settlement of the Institutional Entitlement Offer and the Institutional Entitlement Bookbuild.
Institutional Shareholder	A Shareholder on the Record Date who is an Institutional Investor.
Joint Lead Managers	Deutsche Bank and Macquarie as Joint Lead Managers and underwriters.
Macquarie	Macquarie Capital Advisers Limited (ABN 79 123 199 548).
New Share	A Share to be issued under the Entitlement Offer or a Share to be transferred from the Securities Escrow Agent to Shareholders or other eligible investors under the Retail Entitlement Offer or Retail Entitlement Bookbuild.
NLAT	Net loss after tax.
Non-Executive Director	Non-Executive Director of Transpacific.
NPAT	Net profit after tax.
NZ$	New Zealand dollars.
Offer Document	This Prospectus, ASX announcements for the Institutional Entitlement Offer and Retail Entitlement Offer, the Subscription Agreement and certain offer documentation for the Institutional Entitlement Offer.

Terms and abbreviations	Meaning
Peabody Family	The family of Terry Peabody and any of their respective associates (as defined in the Corporations Act), including for the purposes of this Prospectus Tandom Pty Ltd (ACN 075 855 113), Brenzil Pty Ltd (ACN 051 348 353) and Filmore Limited (a company registered in Malaysia).
Post Ex-Date Transactions	Transactions disregarded for the purposes of determining those entitled to receive Entitlements as described in Section 9.15.
Privacy Act	Privacy Act 1988 (Cth).
Process Deed	The process deed between Transpacific and the Cornerstone Investor dated 9 June 2009 as described in Section 9.6.1.
Prospectus	This prospectus dated 20 July 2009 and lodged with ASIC on that date.
QIB	Qualified Institutional Buyers within the meaning of Rule 144A under the US Securities Act.
Recapitalisation	The Equity Raising, the Amended Facility Agreement, the amendments to the USPP, the closing out of interest rate swap contracts (with a face value of approximately $500 million) at a cost of approximately $40 million and the waiver of past breaches of covenants under the Syndicated Facility and USPP, as outlined in Section 5.1.
Record Date	The time and date for determining Shareholder Entitlements under the Retail Entitlement Offer, being 7.00pm (Brisbane time) on 20 July 2009.
Regulation S	Regulation S promulgated under the US Securities Act.
Retail Entitlement Bookbuild	The second bookbuild to be conducted in connection with the Entitlement Offer, being in respect of the Retail Entitlement Offer, as described in Section 2.12.2.
Retail Entitlement Offer	The offer under this Prospectus of New Shares to Eligible Retail Shareholders under the Entitlement Offer as described in Section 2.12.
Retail Premium	The excess (if any) over the Clearing Price payable in respect of Unexercised Entitlements.
Retail Settlement Date	27 August 2009, being the date for settlement of the Retail Entitlement Offer and the Retail Entitlement Bookbuild.
Secondary Placement	Issue of up to an additional 92,075,344 New Shares to the Cornerstone Investor at the Entitlement Offer Price with the number of Secondary Placement Shares for which it may subscribe being reduced by the number of New Shares the Cornerstone Investor obtains under the Sub-Underwriting Agreement.
Secondary Placement Price	The price payable for each Secondary Placement Share that may be issued under the Secondary Placement, being $1.20 per Secondary Placement Share.
Secondary Placement Shares	The 92,075,344 new Shares that may be issued under the Secondary Placement.
Securities Escrow Agent	Belike Nominees Pty Ltd (ACN 008 604 966), a wholly owned subsidiary of Macquarie Group Limited (ABN 94 122 169 279).
Share or Transpacific Share	A fully paid ordinary share in the capital of Transpacific.
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Shareholder	The registered holder of a Share.
Subscription Agreement	The subscription agreement entered into between Transpacific and the Cornerstone Investor dated 9 June 2009 as described in Section 9.6.1.
Sub-Underwriting Agreement	The sub-underwriting agreement dated 15 July 2009 between the Joint Lead Managers and the Cornerstone Investor, as described in Section 9.6.2.

Glossary (continued)

Terms and abbreviations	Meaning
Supplementary Offer Document	Any document which supplements or replaces an Offer Document in the form approved by Transpacific including a supplementary or replacement prospectus.
Syndicated Facility	The $2,095 million syndicated facility entered into between Transpacific and its syndicated financiers on 14 December 2007 (as amended and restated on 28 March 2008 and further amended on 26 August 2008) as described in Section 9.7.1.
Takeover Event	Either: • An offer is made, or a person announces an intention to make an offer (other than by the Cornerstone Investor or any of its associates), to all (or as nearly all as may be practicable) Shareholders, or all (or as nearly all as may be practicable) Shareholders other than the offeror and/or any associate of the offeror, to acquire the whole or any part of the issued share capital of Transpacific; or • any person (other than the Cornerstone Investor or any of its associates) proposes a scheme of arrangement involving a person acquiring the whole of any part of the issued share capital of Transpacific, and upon the successful consummation of such offer or scheme the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of Transpacific would be vested in the offer and/or such associates or an event occurs which has a like or similar effect.
Top Up Shares	The meaning given in Section 2.18.
TPI SPS	The Transpacific Step-Up Preference Securities issued by Permanent Investment Management Limited as Responsible Entity for the Transpacific SPS Trust pursuant to the Terms of Issue contained in the product disclosure statement dated 4 July 2006.
Tranche 1 Warrants	23,879,109 Warrants exercisable from the first anniversary of the Institutional Settlement Date.
Tranche 2 Warrants	23,879,109 Warrants exercisable from 1 July 2011.
Tranche 3 Warrants	23,879,108 Warrants exercisable from 1 July 2012.
Transaction Documents	The Underwriting Agreement, the Subscription Agreement, the Process Deed, the Equity Security Deed, the Escrow Agent Agreement, the Equity Warrant Deed and any other document entered into to which the Company is a party and which the Joint Lead Managers and the Company agree in writing is a Transaction Document.
Transpacific	Transpacific Industries Group Limited ABN 74 101 155 220.
Transpacific Share or **Share**	A fully paid ordinary share in the capital of Transpacific.
Transpacific Sustain	Transpacific Sustain Pty Ltd (ACN 137 370 015), the Issuer of the Warrants, as described in Section 9.6.4.
Underlying Entitlement	The number of Shares in respect of which a Warrant is exercisable, being initially 1 Share unless subsequently adjusted in accordance with the terms of the Equity Warrant Deed.
Underwriting Agreement	The underwriting agreement between Transpacific and the Joint Lead Managers dated 15 July 2009, as described in Section 9.5.
Unexercised Entitlements	An Eligible Shareholder's Entitlements that have lapsed.
US$	United States dollars.
US Person	The meaning given in Rule 902(k) of Regulation S under the US Securities Act.

Terms and abbreviations	Meaning
US Private Placement	The offer and issue of New Shares in the Institutional Entitlement Offer and Institutional Entitlement Bookbuild to certain eligible Shareholders that are in the United States or are, or are acting for the account or benefit of, US Persons, in each case that are QIBs, pursuant to an exemption from the registration requirements of the US Securities Act.
US Securities Act	The US Securities Act of 1933, as amended.
USPP	The United States private placement of debt securities by Transpacific pursuant to the note purchase agreement dated 17 December 2007.
Warburg Pincus	Warburg Pincus LLC, a limited liability company organised in New York, United States of America.
Warrants	Equity warrants issued by Transpacific Sustain and potentially exercisable for 71,637,326 Shares, as described in Section 9.6.4.
Warrant Exercise Period	From Tranche 1: the first anniversary of the Institutional Settlement Date; Tranche 2: 1 July 2011; Tranche 3: 1 July 2012 respectively to the Warrant Expiry Date.
Warrant Exercise Price	$1.20 per Warrant, unless subsequently adjusted in accordance with the terms of the Equity Warrant Deed.
Warrant Expiry Date	30 June 2014.
Warrant Settlement Amount	The meaning given in Section 9.6.4.
WP Holdings	WP X Holdings B.V., a company registered in the Netherlands.

Interpretation

In this Prospectus, unless the context requires otherwise:

(i) the singular includes the plural, and vice versa;

(ii) words importing one gender include the other gender;

(iii) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances or by-laws issued under that statute;

(iv) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;

(v) a reference to a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(vi) a reference to a body (including an institute, association or authority), whether statutory or not:

a. that ceases to exist; or

b. the powers or function of which are transferred to another body,

is a reference to the body that replaces it or substantially succeeds to its powers or functions;

(vii) other grammatical forms of a word or phrase defined in this Prospectus have a corresponding meaning; and

(viii) a reference to a Section is a reference to a Section of this Prospectus.

Corporate directory

Transpacific Industries Group Limited

Corporate Head Office
Level 1
159 Coronation Drive
Milton QLD 4064

Website
www.transpacific.com.au

Transpacific Shareholder Information Line
Within Australia: 1300 751 842 (local call cost)
Outside Australia: +61 3 9415 4204
Open 8.30am to 5.00pm (Brisbane time) Monday to Friday during the Entitlement Offer Period

Joint Lead Managers and Underwriters

Deutsche Bank AG, Sydney Branch
Level 16, Deutsche Bank Place
Corner of Hunter and Phillip Streets
Sydney NSW 2000

Macquarie Capital Advisers Limited
Level 23
101 Collins Street
Melbourne VIC 3000

Australian Legal Adviser

Clayton Utz
Riparian Plaza
71 Eagle Street
Brisbane QLD 4000

Independent Accountant

Ernst & Young Transaction Advisory Services Limited
1 Eagle Street
Brisbane QLD 4000

Auditor

Bentleys
Level 26, AMP Place
10 Eagle Street
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
Level 19
307 Queen Street
Brisbane QLD 4000

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