



ASX ANNOUNCEMENT

EMC ACQUISITION ADVANCES WITH NEW TERMS

- **New acquisition terms agreed**
- **Tag to issue new shares giving Carnegie 17.5% of Tag (fully diluted)**
- **Acquisition to accelerate MPower's growth plans and strengthen bidding opportunities**

Sydney – 24 October 2018 – Tag Pacific Limited (ASX: TAG)

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Tag Pacific Limited (Tag) refers to its previous announcements in relation to the proposed acquisition of the Energy Made Clean business from Carnegie Clean Energy Limited (ASX: CCE) (Carnegie) and advises new transaction terms have been executed. The acquisition will capitalise on the rapidly growing off-grid and fringe-of-grid solar, battery storage and microgrid market and accelerate MPower's strategy of being a regional leader in the development, financing, Engineering, Procurement, Construction (EPC) and Build, Own, Operate (BOO) of renewables, battery storage and microgrids.

The new terms, contained in an executed amendment to the Share Purchase Agreement, envisages Carnegie receiving shares representing 17.5% of Tag (Tag Shares) fully diluted after completion of the acquisition and a proposed capital raising by Tag. The Tag Shares will be held by Carnegie subject to a two year escrow arrangement and will not be distributed in specie to its shareholders. The number of Tag Shares to be issued will be less than the 58.5 million shares intended to be issued under the previous transaction terms, primarily reflecting the removal of the cash component of the sale consideration previously payable by Carnegie.

The key objectives of the proposed acquisition remain unchanged. Tag intends to fully integrate the Energy Made Clean business with its MPower business to form an ASX-listed renewables and battery storage business with a market-leading position and benefiting from increased scale and enhanced national reach. The listed Tag Pacific will be re-branded as MPower following the company's AGM at the end of November 2018.

The combined business will integrate the engineering, procurement and construction activities of both existing businesses under the MPower brand, maintaining their strong presence in New South Wales and Western Australia to deliver a national and regional capability. It is also intended to integrate Energy Made Clean's solar and battery storage project development pipeline in order to establish a stand-alone build, own and operate solar and microgrid asset portfolio in the future.

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The transaction is subject to a number of conditions including a \$4 million capital raising by Tag, third party consents and changes to the EMC Lendlease Joint Venture being agreed. The parties are targeting completion of the acquisition by the end date of 30 November 2018.

Tag shareholder approval for the issue of the Tag Shares will be sought following completion by way of an Extraordinary General Meeting. At completion, Tag will issue a convertible note to Carnegie convertible into the Tag Shares subject to Tag shareholder approval being obtained. The previous shareholder approvals obtained by Tag on 25 September 2018 no longer apply to the new transaction terms.

ENDS

ABOUT

Tag Pacific Limited is a Sydney-based investment house listed on the Australian Securities Exchange with a focus on niche areas of the power industry. Tag has invested in a diverse range of companies and activities that have been brought together primarily to operate under the banner of MPower. The company's mission is to invest in the power industry in a manner that creates and enhances value over time.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included in this document including, without limitation, statements regarding future plans and objectives of Tag, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Tag, its directors and management that could cause Tag's actual results to differ materially from the results expressed or anticipated in these statements.

Tag cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this document will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Tag does not undertake to update or revise forward-looking statements,



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or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this document, except where required by applicable law and stock exchange listing requirements.

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