



ASX ANNOUNCEMENT

INTEGRATION PROPOSAL MOVES AHEAD

- **MPower shareholders accept Integration Proposal**
- **Integration Proposal moves closer to completion**
- **Tag general meeting to be held**
- **Indicative timetable set**

Sydney – 23 July 2012 – Tag Pacific Limited (ASX: TAG) is pleased to announce that its Integration Proposal has moved closer to completion with all minority shareholders of the MPower Group having now accepted the Integration Proposal.

The Integration Proposal to acquire all the shares in the MPower Group not currently owned by Tag was announced on 9 July 2012 and was conditional on all MPower shareholders accepting, amongst other conditions.

The proposed acquisition of 100% of the MPower Group marks the start of the next chapter in Tag's journey and reinforces Tag's commitment to increase its investment focus on the power sector.

Other conditions to which the Integration Proposal is subject include obtaining all required approvals from Tag shareholders and obtaining any necessary ASIC modifications and exemptions.

A general meeting of Tag shareholders will now be called to approve the issue of approximately 23 million new Tag shares as part of the Integration Proposal.

If the issue of shares is approved by the Tag shareholders at the general meeting and all other outstanding conditions are satisfied so that the Integration Proposal is able to proceed to completion, Tag intends to undertake two capital management initiatives (as announced on 9 July 2012), details of which are set out below:



1. **Free loyalty options** - Tag will issue free loyalty options to Tag shareholders on a 1:7 basis. The bonus options, to be issued for no consideration, will have an exercise price of \$0.20 and an expiry date 5 years after the issue date. Application will be made for the options to be listed on the ASX.
2. **5.0 cent fully franked cash dividend** - Tag intends to declare and pay a fully franked cash dividend of 5.0 cents per share to Tag shareholders. The dividend is to comprise a 1.0 cent per share ordinary dividend component in respect of the year to 30 June 2012 and a 4.0 cent per share special dividend component. The Tag Pacific Limited Dividend Reinvestment Plan will not operate in respect of the dividend.

An indicative timetable of key dates relating to the Integration Proposal will be made available shortly.

ENDS

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