

NOTICE OF EXTRAORDINARY GENERAL MEETING



Wednesday 25 July 2007 at 10.00am

ACN 101 155 220 ABN 74 101 155 220

Notice is given to the members of Transpacific Industries Group Ltd (*Transpacific or the Company*) that an Extraordinary General Meeting will be held at the Moreton Room, Hilton Hotel, Elizabeth Street, Brisbane, on Wednesday 25 July 2007 commencing at 10.00am (Brisbane time).

Business

Special Business

1. Financial Assistance

To consider and, if thought fit, pass the following as a special resolution:

That, for the purposes of section 260B(2) of the *Corporations Act* 2001 (Cth), the Company approve the giving of financial assistance by Baxter Group Limited ACN 099 618 998, Baxter Business Pty Limited ACN 099 593 594, AJ Baxter Pty Limited ACN 004 476 519, Baxter Recyclers Pty Limited ACN 118 378 411, Clarinda Landfill Pty Limited ACN 099 467 179, Ashrye Pty Limited ACN 052 122 228, Max T Pty Limited ACN 124 462 568, Rubus Holdings Pty Limited ACN 120 434 139, Rubus Intermediate Two Pty Limited ACN 120 360 616, Transpacific Cleanaway Holdings Limited ACN 120 360 812, Rubus Intermediate One Pty Limited ACN 120 361 686, Transpacific Cleanaway Limited ACN 000 164 938 and Cleanaway Technology and Equipment Pty Limited ACN 118 321 305 (together the "**Subsidiaries**") in the manner specified in paragraph (A) below to the person specified in paragraph (B) below to acquire the shares specified in paragraph (C) below.

Particulars of the financial assistance

(A) The execution by the Subsidiaries of the Guarantor Accession Deed pursuant to which, among other things, the Subsidiaries will become guarantors under:

- (i) the Syndicated Multi-Option Facility Agreement (the "**SMOFA**") dated 15 May 2007 between the Company as Parent, each entity specified in Schedule 1 thereto (as the Original Borrowers), each entity specified in Schedule 2 thereto (as the Original Guarantors), each financial institution specified in Schedule 3 thereto (as the Participants) and National Australia Bank Limited (as Agent); and
- (ii) the Bridge Facility Agreement (the "**Bridge Agreement**") dated 2 April 2007 between the Company (as Borrower and a Guarantor), each entity specified in Schedule 1 thereto (as Guarantors) and National Australia Bank Limited (as Financier);
- (iii) the Hybrid Bridge Facility Agreement (the "**Hybrid Bridge Agreement**") dated 15 May 2007 between the Company (as Borrower and a Guarantor), each entity specified in Schedule 1 thereto (as Guarantors) and Australia and New Zealand Banking Group Limited ("**ANZ**") and NAB (as Financiers); and
- (iv) the Equity Bridge Facility Agreement (the "**Equity Bridge Agreement**" and together with the Bridge Agreement and the Hybrid Bridge Agreement, the "**Bridge Agreements**") dated 15 May 2007 between the Company (as Borrower and a Guarantor), each entity specified in Schedule 1 thereto (as Guarantors) and Commonwealth Bank of Australia (as Financier),

and will guarantee the performance by the Borrowers of their obligations under the SMOFA and the Bridge Agreements.

Particulars of the person acquiring

(B) Transpacific Waste Management Pty Limited (and indirectly the Company).

Particulars of the acquisition of shares

(C) The shares to be acquired are all of the issued shares in the share capital of the Subsidiaries (directly or indirectly as the case may be).

2. General Ratification of Previous Issues of Shares

In accordance with ASX Listing Rule 7.4 and for all other purposes, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 36,403,892 fully paid ordinary shares in the Company since 31 August 2006, details of which are set out in the Explanatory Memorandum attached to and forming part of this Notice of Annual General Meeting."

Dated: 22 June 2007

By Order of the Board of Directors

A handwritten signature in black ink that reads "Kellie Smith". The signature is written in a cursive, flowing style.

Kellie Smith
Company Secretary

NOTES TO THE NOTICE OF MEETING:

1. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at general meetings of Transpacific or in the capacity of a shareholder's proxy at general meetings of Transpacific. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
2. A shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the shareholder's votes each proxy is being appointed to exercise. If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes.
3. If a shareholder has appointed two proxies, when a resolution is decided on a show of hands, only the first person named on the Proxy form may vote. If two Proxy Forms have been completed, the person whose name is earlier in alphabetical sequence may vote.
4. A proxy need not be a shareholder of Transpacific.
5. Either the original, facsimile or electronic transmission of the Proxy Form(s) and any Power of Attorney or authority under which they are signed must be received at least 48 hours prior to the Extraordinary General Meeting (ie by no later than 10:00am on Monday 23 July 2007) or any adjournment. Any Proxy Form received after this deadline, including at the Extraordinary General Meeting, will be invalid.
6. A Proxy Form accompanies this Notice of Meeting.
7. Additional Proxy Forms will be supplied by the Transpacific Share Registry (Computershare Investor Services Pty Ltd) on request.
8. If a corporate representative is to attend the Extraordinary General Meeting on behalf of a corporation, a formal Notice of Appointment must be brought to the Extraordinary General Meeting.
9. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Extraordinary General Meeting will be the entitlement of that person set out in the register of shareholders as at 7:00pm (Brisbane time) on Monday 23 July 2007. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Extraordinary General Meeting.

EXPLANATORY NOTES ON ITEMS OF BUSINESS

Item 1: Financially Assisting an Acquisition of Shares

Sections 260B(2) and 260B(4) of the *Corporations Act 2001* (Commonwealth) ("**Act**") requires that a listed domestic company must include in a notice convening a general meeting of members a resolution to approve the giving of financial assistance by a company to financially assist the listed domestic company to acquire shares in the company or a holding company of the company and a statement setting out all the information known to the listed holding company that is material to the decision on how to vote on the resolution.

1. Background

1.1 Original SMOFA

Pursuant to:

- (a) the Syndicated Multi-Option Facility Agreement (the "**Original SMOFA**") dated 16 June 2006 between the Company as Parent, each entity specified in Schedule 1 thereto (as the "**Original Borrowers**"), each entity specified in Schedule 2 thereto (as the "**Original Guarantors**"), each financial institution specified in Schedule 3 thereto (as the "**Participants**") and National Australia Bank Limited ("**NAB**") (as "**Agent**") as amended; and
- (b) the Bridge Facility Agreement (the "**Bridge Agreement**") dated 2 April 2007 between the Company (as borrower), each entity specified in Schedule 1 thereto (as guarantors) and National Australia Bank Limited (as "**Bridge Financier**"),

the Participants and the Bridge Financier made facilities available to the Company and the Original Borrowers to, among other things, enable the funding of any Approved Acquisitions (as defined in the Original SMOFA). The acquisition of Baxter Group Limited ACN 099 618 998, Baxter Business Pty Limited ACN 099 593 594, AJ Baxter Pty Limited ACN 004 476 519, Baxter Recyclers Pty Limited ACN 118 378 411, Clarinda Landfill Pty Limited ACN 099 467 179, Ashrye Pty Limited ACN 052 122 228 and Max T Pty Limited ACN 124 462 568, each wholly owned subsidiaries of the Company (the "**Baxter and Twigg Subsidiaries**"), constituted an Approved Acquisition.

1.2 New SMOFA

In order to fund further acquisitions (amongst other purposes), the Original SMOFA has been replaced. As a result, pursuant to:

- (a) the Syndicated Multi-Option Facility Agreement (the "**SMOFA**") dated 15 May 2007 between the Company as Parent, each entity specified in Schedule 1 thereto (as the "**Original Borrowers**"), each entity specified in Schedule 2 thereto (as the "**Original Guarantors**"), each financial institution specified in Schedule 3 thereto (as the "**Participants**") and NAB (as "**Agent**");
- (b) the Bridge Facility Agreement (the "**Bridge Agreement**") dated 2 April 2007 between the Company (as borrower), each entity specified in Schedule 1 thereto (as guarantors) and NAB (as "**Bridge Financier**");
- (c) the Hybrid Bridge Facility Agreement (the "**Hybrid Bridge Agreement**") dated 15 May 2007 between the Company (as borrower and guarantor), each entity specified in Schedule 1 thereto (as guarantors) and Australia and New Zealand Banking Group Limited ("**ANZ**") and NAB (as the "**Hybrid Financiers**"); and
- (d) the Equity Bridge Facility Agreement (the "**Equity Bridge Agreement**") dated 15 May 2007 between the Company (as borrower and guarantor), each entity specified in Schedule 1 thereto (as guarantors) and Commonwealth Bank of Australia (as "**Equity Financier**") (together the Participants, the Bridge Financier and the Hybrid Financiers are

the "**Financiers**" and the Equity Bridge Agreement, the Bridge Agreement and the Hybrid Bridge Agreement are the "**Bridge Agreements**"),

the Financiers have made facilities available to the Company and the Original Borrowers to, among other things, enable the funding of any Approved Acquisitions (as defined in the SMOFA). The acquisition of Rubus Holdings Pty Limited ACN 120 434 139, Rubus Intermediate Two Pty Limited ACN 120 360 616, Transpacific Cleanaway Holdings Limited ACN 120 360 812, Rubus Intermediate One Pty Limited ACN 120 361 686, Transpacific Cleanaway Limited ACN 000 164 938 and Cleanaway Technology and Equipment Pty Limited ACN 118 321 305, each wholly owned subsidiaries of the Company (together with the Baxter and Twigg Subsidiaries, the "**Subsidiaries**"), constituted an Approved Acquisition.

Under clause 17.5(a) of the SMOFA and clause 15.1(a) of the Bridge Agreements, the Company has undertaken to ensure that at all times the aggregate contribution of the guarantors under the SMOFA and the Bridge Agreements (the "**Guarantors**") to the EBITDA of the Group is not less than 90% of the total EBITDA of the Group (each of those terms as defined in the SMOFA). In order for the Company to comply with this requirement, the Subsidiaries may become Guarantors under the SMOFA and the Bridge Agreements by delivering to the Agent the Guarantor Accession Deed (as that term is defined in the SMOFA and the Bridge Agreements) in respect of both the SMOFA and the Bridge Agreements, duly executed by the Subsidiaries (together with the relevant ancillary documents described in clause 17.5(g) of the SMOFA and clause 15.1(a) of the Bridge Agreements).

Once that has occurred, the Subsidiaries will each be a Guarantor for the purposes of the SMOFA and the Bridge Agreements as if named as a party to the SMOFA and the Bridge Agreements in the capacity of a Guarantor and all of the terms of the SMOFA and the Bridge Agreements will bind the Subsidiaries accordingly, including the guarantees contained in clause 20 of the SMOFA and clause 4.2 of the Bridge Agreements ("**Guarantees**").

1.3 Financial Assistance

The entry by the Subsidiaries into the Guarantor Accession Deed (and thereby the granting of the Guarantees) may constitute the giving of financial assistance by the Subsidiaries in connection with the acquisition of the shares in the Subsidiaries.

Under section 260B(2) of the Act, the giving of financial assistance by the Subsidiaries in connection with the acquisition of the shares in the Subsidiaries, may be approved by a special resolution passed at a general meeting of the Company.

Attached to this Explanatory Statement as Annexure A is a member special resolution pursuant to section 260B(2) of the Act to be passed, if appropriate, by the members of the Company approving the provision by the Subsidiaries of the financial assistance described in this Explanatory Statement.

In accordance with section 260B(4) of the Act, this Explanatory Statement sets out all the information known to the Company that is material to the decision of the members of the Company on how to vote on the resolution.

2. Particulars of the Proposed Financial Assistance

The proposed transactions that may constitute financial assistance comprise the granting of the Guarantees (by way of the delivery and execution of the Guarantor Accession Deed by the Subsidiaries).

3. Reasons for the Proposal to Give Financial Assistance

As set out above, under clause 17.5(a) of the SMOFA and clause 15.1(a) of the Bridge Agreements, the Company has undertaken to ensure that at all times the aggregate contribution of Guarantors to the EBITDA of the Group is not less than 90% of the total EBITDA of the Group. In order for the Company to comply with this requirement, the Subsidiaries may become Guarantors under the SMOFA and the Bridge Agreements by delivering to the Agent the Guarantor Accession Deed duly executed by the Subsidiaries (together with the relevant ancillary

documents described in clause 17.5(g) of the SMOFA and clause 15.1(a) of the Bridge Agreements).

The Company considers that the provision of financial accommodation under the SMOFA and the Bridge Agreements and the granting of the Guarantees by the Subsidiaries (by way of execution and delivery of the Guarantor Accession Deed) is in the interests of the Company and the Group.

4. Effect of the Proposed Financial Assistance on the Interests of the Company and its Shareholders

The directors of the Company have formed the view that the granting of the Guarantees and the giving of the financial assistance thereunder to be in the best interests of the Company and its shareholders and for its corporate benefit because (among other things):

- (a) the granting of the Guarantees will secure the Group's financing arrangements going forward and provide additional avenues of support to the existing Guarantors in the unlikely event of a call on the Guarantees;
- (b) the Subsidiaries will also be acceding as borrowers under the SMOFA, and this will provide added flexibility to the funding arrangements for the Group;
- (c) the granting of the Guarantees is in accordance with the Constitutions of the Subsidiaries;
- (d) the Subsidiaries are solvent and will be solvent at the time the Guarantor Accession Deed will be executed and incurring the liabilities they will incur under that document will not cause them to become insolvent;
- (e) the Subsidiaries are not prevented from entering into and performing any of their obligations under the Guarantees by sections 208 and 209 of the Act (relating to the provision by companies of financial benefits to related parties of a public company); and
- (f) if the Guarantees are not given, the Company and the Group risk being in breach of the SMOFA and the Bridge Agreements and having their facilities terminated.

5. Approval and Recommendation by Directors

The directors of the Company have approved this statement and recommend shareholder approval of the accompanying resolution.

Item 2: General ratification of previous issue of shares

1. Background

ASX Listing Rule 7.1 limits the number of securities that a company may issue or agree to issue in a twelve month period (without obtaining approval of shareholders) to 15% of the issued capital (after making allowances for the securities issued under the exceptions to the listing rule).

ASX Listing Rule 7.4 provides that an issue of securities made without approval under rule 7.1 is treated as having been made with approval for the purposes of rule 7.1 if each of the following applies:

- The issue did not breach rule 7.1 (rule 7.4.1); and
- Holders of ordinary securities subsequently approve it (rule 7.4.2).

Under this resolution the Company seeks from shareholders ratification of the issue of securities so as to limit the restrictive effect of ASX Listing Rule 7.1 on any further issues of securities over the next twelve months.

Resolution 4 therefore seeks approval under ASX Listing Rule 7.4 to ratify the issue of 36,403,892 ordinary shares for the purposes of ASX Listing Rule 7.1. Details of the share issues as required under listing rule 7.5 are as follows:

On 31 August 2006 the Company issued 69,898 ordinary shares to GCB Management Pty Ltd ATF Booker Investment Trust and 69,898 ordinary shares to RW Management Pty Ltd ATF Williamson Investment Trust at an issue price of \$7.15 each as part settlement for the purchase of the Nepean Waste Management business.

On 3 October 2006 the Company issued 184,713 ordinary shares to Usshers Pty Ltd at an issue price of \$7.85 each as part settlement for the purchase of the Usshers Waste business.

On 6 October 2006 the Company issued 102,693 ordinary shares to Dale Francis Thornton ATF Thornton Family Trust and 102,693 ordinary shares to Michael Melchiorre ATF The Melchiorree Family Trust at an issue price of \$7.30 each as part settlement for the purchase of the Garbo solid waste business.

On 27 October 2006 the Company issued 1,199,288 ordinary shares to Macquarie Equity Capital Markets Ltd at an issue price of \$8.0837 each in accordance with a dividend reinvestment plan underwriting agreement. The funds were used to repay debt and to provide additional capacity for the company to pursue its strategy for expansion.

On 1 December 2006 the Company issued 49,133 ordinary shares to FBP Enterprises Limited at an issue price of \$8.82 each as part settlement for the purchase of the Industrial Water Jetting business.

On 30 March 2007 the Company issued 7,428 ordinary shares to Ian Gordon Bruce Davidson at an issue price of \$10.70 each as part settlement for the purchase of the Tailow Traders business.

On 2 April 2007 the Company issued 2,780,352 ordinary shares to Twigg Landfill Pty Ltd ATF the Max Twigg Family Trust at an issue price of \$10.79 each as part settlement for the purchase of the Twigg solid waste group.

On 4 May 2007 the Company issued 837,796 ordinary shares to Macquarie Equity Capital Markets Ltd at an issue price of \$11.9743 each in accordance with a dividend reinvestment plan underwriting agreement. The funds were used to repay debt and to provide additional capacity for the company to pursue its strategy for expansion.

On 14 June 2007 the Company issued 31,000,000 ordinary shares at an issue price of \$13.00 each via a placement of shares to institutional and sophisticated investors. The funds were used to repay debt drawn down to fund the acquisition of the Cleanaway businesses, and to provide additional capacity for the company to pursue its strategy for expansion.

2. Approval and Recommendation by Directors

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends shareholders vote in favour of Resolution 2 as it allows the Company to ratify the above issue of Shares and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next twelve months.

The Company will disregard any votes cast on this resolution by any person who participated in the issue and any of their associates.

However, the Company need not disregard a vote if:

- It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.