

ASX Announcement

17 October 2014

Company Announcement Office
ASX Limited
Via Electronic Lodgement

A\$1,200,000 Unsecured Convertible Loan Agreement

Tempo Australia Limited (ASX: TPP) has today entered into a convertible loan agreement for A\$1,200,000 with Bontempo Nominees Pty Ltd, a related entity of Chairman Carmelo Bontempo.

The convertible loan agreement provides \$1,200,000 of cash to Tempo and is being provided on the basis that it is converted into TPP shares following approval by Tempo shareholders. The value of the proposed conversion price is 5.7 cents a share. Conversion of the loan would lead to the issue of 21,052,632 shares and would increase Bontempo Nominees Pty Ltd and related entities combined shareholding to 19.97% of issued shares.

Michael West, Executive Director, CFO and Company Secretary, said: "This investment reinforces Mr Bontempo's support of Tempo and its strategy. The funds will be used to provide additional working capital flexibility and support the pursuit of new tender and work opportunities."

The key terms of the loan are:-

- (i) The loan is unsecured.
- (ii) The loan is to be repaid in cash on or before 28 February 2015, unless it is converted to equity under (iv) below.
- (iii) Interest on the drawn amount is at 9% per annum compounded daily and paid quarterly in arrears.
- (iv) If shareholder approval is given for the issue of shares to Bontempo Nominees, the loan will be repaid through conversion of the loan into shares at the conversion Price of 5.7 cents.

Tempo will seek to convene a general meeting of shareholders to seek approval for the issue of the shares under ASX Listing Rule 10.11.

For further information please contact:

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About Tempo

Tempo Australia Ltd (ASX:TPP) was established in 2011 to provide SMP (Structural Mechanical Piping) services to the mining, oil and gas sectors specialising in:

- ◆ construction (greenfield and brownfield);
- ◆ maintenance;
- ◆ sustaining capital works; and
- ◆ shutdowns.

Tempo works collaboratively with clients to execute projects safely and deliver them on time and on budget.