ASX ANNOUNCEMENT

NOTICE UNDER SECTION 708AA(12) OF THE CORPORATIONS ACT

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Sydney – 13 December 2018 – Tag Pacific Limited releases the attached notice under section 708AA(12) of the Corporations Act.

ENDS

ABOUT TAG
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.

For further information please contact:

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Company Secretary
Tag Pacific Limited
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TAGPAC.COM
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13 December 2018

The Manager
Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ASX RELEASE

Issuer: Tag Pacific Limited (ASX Code: TAG)

RIGHTS ISSUE CLEANSING NOTICE UNDER SECTION 708AA(12) OF THE CORPORATIONS ACT

This notice is given by Tag Pacific Limited ("**Tag Pacific**" or the "**Company**") under section 708AA(12) of the Corporations Act 2001 ("**Corporations Act**") as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 ("**ASIC Instrument**"). References in this notice to the Corporations Act are references to the Corporations Act as notionally modified by the ASIC Instrument.

The Company has announced on 29 November 2018 that it will undertake a non-renounceable rights issue of up to approximately 49,731,270 fully paid ordinary shares in Tag Pacific ("**Rights Issue**"). Under the Rights Issue eligible shareholders are entitled to subscribe for 2 ordinary fully paid shares in Tag Pacific ("**New Shares**") for every 5 ordinary shares in Tag Pacific held at the Record Date, being 7.00 pm (Sydney time) on 4 December 2018, with each such New Share being issued at an issue price of 5.2 cents to raise up to approximately $2,586,026 ("**Offer**"). Further details regarding the Offer are set out in the offer document (the "**Offer Document**") dispatched to shareholders on 7 December 2018.

In addition to the Rights Issue, Tag Pacific separately announced that it had conducted a placement on 28 November 2018 of 19,230,769 shares ("**Placement Shares**") (also at 5.2 cents per share) to institutional and sophisticated investors to raise approximately $1,000,000 ("**Placement**").

It was previously stated in the Offer Document that Anthony Australia Pty Limited (a company associated with Mr Peter Wise, the chairman of Tag Pacific, and Mr Nathan Wise, the managing director and chief executive officer of Tag Pacific) would participate in the Placement by subscribing for 2,788,458 Placement Shares for a subscription price of $145,000.

Shareholders are advised that, subject to obtaining shareholder approval under ASX listing rules 10.11 and 10.13, Anthony Australia Pty Limited will now participate in the Placement by subscribing for 6,663,462 Placement Shares for a subscription price of $346,500.

The details of the changes to:

(i) the potential effect the issue of the New Shares under the Rights Issue will have on the control of Tag Pacific; and

(ii) the consequences of that effect,

if Anthony Australia Pty Limited participates in the Placement by subscribing for 6,663,462 Placement Shares for a subscription price of $346,500 are set out in item 5 below.

Tag Pacific confirms that in respect of the Rights Issue:

1. the New Shares will be issued without disclosure under Part 6D.2 of the Corporations Act;
2. this notice is given under section 708AA(12) of the Corporations Act, updating its previous section 708AA(2)(f) notice dated 29 November 2018;
3. as at the date of this notice, Tag Pacific has complied with:
   (a) the provisions of Chapter 2M of the Corporations Act as they apply to Tag Pacific; and
   (b) section 674 of the Corporations Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act; and
5. the changes to the potential effect the issue of the New Shares under the Rights Issue will have on the control of Tag Pacific, and the consequences of that effect, if Anthony Australia Pty Limited participates in the Placement by subscribing for 6,663,462 Placement Shares (rather than 2,788,458 Placement Shares) are as follows:
   (a) In the event that Anthony Australia Pty Limited was the only eligible shareholder to take up its Entitlement then all other shareholders would be diluted and the voting power of Anthony Australia Pty Limited would increase from 53.17% to 57.45% (instead of 55.12%), assuming the Placement Shares have been issued by the completion of the Offer and Anthony Australia Pty Limited took up its full Entitlement as well as participating in the Placement. In the unlikely scenario of Anthony Australia Pty Limited being the only eligible shareholder to take up its Entitlement, the voting power of each of the Existing Substantial Shareholders would be as follows (calculated after the issue of the Placement Shares and using the details last notified to the Company by the Existing Substantial Shareholders):

Existing Substantial Shareholder	Number of Shares	Voting power in Company
Anthony Australia Pty Limited and its associate	95,553,518 (and not 91,678,514)	57.45% (and not 55.12%)
Paul Douglas Sharp and his associates	9,208,930	5.54%
KV Management (Nominees) Pty Limited	6,630,141	3.99%

   (b) In the event that all of the Existing Substantial Shareholders were the only eligible shareholders to take up their Entitlements, then all other shareholders would be diluted and the voting power of each of the Existing Substantial Shareholders would increase as follows (calculated after the issue of the Placement Shares and using the details last notified to the Company by the Existing Substantial Shareholders):

Existing Substantial Shareholder	Number of Shares	Voting power in Company
Anthony Australia Pty Limited and its associate	95,553,518 (and not 91,678,514)	55.34% (and not 53.09%)
Paul Douglas Sharp and his associates	12,892,502	7.47%
KV Management (Nominees) Pty Limited	9,282,198	5.38%

(c) All shareholders of Tag Pacific as at the date of this notice will be diluted by the Placement, including Anthony Australia Pty Limited, even though Anthony Australia Pty Limited is participating in the Placement by subscribing for 6,663,462 Shares for a subscription price of $346,500. The following table sets out the resulting voting power of Anthony Australia Pty Limited taking into account the issue of the Placement Shares (including the Placement Shares to be taken up by Anthony Australia Pty Limited) and the issue of the shares under the Rights Issue assuming that Anthony Australia Pty Limited subscribed for its full Entitlement under the Rights Issue on the basis of 100%, 75%, 50%, 25% and nil subscription by shareholders other than Anthony Australia Pty Limited.

% participation by other holders	Number of New Shares issued to other holders	Number of New Shares issued to Anthony Australia Pty Limited	Total number of New Shares issued under the Offer	Number of Placement Shares	Total number of Shares on issue post Offer (including the Placement Shares)	Voting power of Anthony Australia Pty Limited
100%	26,952,662	22,778,608	49,731,270	19,230,769	193,290,214	49.46% (not 47.45%)
75%	20,214,497	22,778,608	42,993,105	19,230,769	186,552,049	51.24% (not 49.17%)
50%	13,476,331	22,778,608	36,254,939	19,230,769	179,813,883	53.16% (not 51.01%)
25%	6,738,166	22,778,608	29,516,774	19,230,769	173,075,718	(55.23% (not 53.00%)
0%	0	22,778,608	22,778,608	19,230,769	166,337,552	57.47% (not 55.14%)

Other than for the changes set out above, the potential effect the issue of the New Shares under the Rights Issue will have on the control of Tag Pacific, and the consequences of that effect, are as set out in the previous section 708AA(2)(f) notice dated 29 November 2018.

Signed for and on behalf of Tag Pacific Limited:

Darrell Godin
Company Secretary
Tag Pacific Limited