

ASX ANNOUNCEMENT

AUSTRALIAN ARMY AWARDS A\$4.8M CONTRACT TO ADVANCED POWER

Sydney – 5 July 2007 – Tag Pacific Limited (ASX: TAG, NZX: TPC) advises that its subsidiary Advanced Power Pty Ltd has been awarded a A\$4.8 million contract to supply trailer mounted flood lights to the Australian Army.

Details of the contract are contained in Advanced Power's media release, a copy of which is attached.

Advanced Power was acquired by M+H Power Systems Pty Limited in September 2005. M+H Power Systems is 57% owned by Tag Pacific Limited.

ENDS

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Powering Ahead

Advanced Power signs \$4.8M contract to supply trailer mounted flood lights to the Australian Army

Advanced Power Pty Ltd has reaffirmed its position as market leader in the provision of portable power to the Australian Defence market. Advanced Power has signed a \$4.8 million contract for the supply of mobile floodlight trailers to the Australian Army through the Defence Material Organisation (DMO).

This is an internationally unique product that will allow the Australian Army to conduct missions with rugged reliable equipment and supply electrical power and light to remote hospitals and field camps. The product design has been accepted by the Defence Material Organisation (DMO). The duration of the contract is expected to be 20 months with 422 man weeks of labour allocated to the contract.

The Floodlight Trailer as with all new Advanced Power products was developed using 3D modeling and other innovative design techniques. The trailer complies with military specifications for radio frequency interference, vibration and shock loading as well as the military environmental (operating temperature) specifications of -6°c to 40°c.

The contract is the most significant on record in dollar terms for the company and is significant for the Liverpool region. Advanced Power will be sourcing a number of key materials and services from local business, fostering growth within the region.

Advanced Power's mobile floodlight trailer was selected a finalist in the 2007 Excellence in Innovation – Innovative Product or Service category for a small to medium sized enterprise in the 2007 Western Sydney Industry Awards.

About Advanced Power

Advanced Power is a subsidiary of the M+H Power Systems Group a business segment of the publicly listed TAG group (ASX Code: TAG).

Established in 1984, the Western Sydney based company specialises in electrical power generation equipment and associated control systems for commercial, industrial and military applications. The company provides products and services to







its customers that are designed, manufactured, installed, serviced and maintained in Australia by highly qualified staff.

The Advanced Power brand name has a reputation of high quality and reliability within the industry. The company has been the primary supplier of portable power generation systems to the Australian Defence Force for a number of years. Advanced Power is also responsible for the installation and service of a significant share of all installed emergency power systems within the Sydney CBD.



