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## ASX ANNOUNCEMENT

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### ACQUISITION OF DESMO ASSETS

**Sydney – 17 August 2012 – Tag Pacific Limited** (ASX: TAG) announced today that its power systems subsidiary MPower Projects Pty Limited has acquired certain assets of the business known as Direct Engineering Services Marine and Offshore (“DESMO”).

DESMO was a business unit within the Hastie Group which was placed into Administration in May 2012. DESMO specialises in heating, ventilation and air conditioning services for the oil & gas and marine sectors.

MPower has acquired intellectual property assets of the DESMO business from the Administrators. The assets will be used to further enhance MPower’s capability in specialised heating, ventilation and air conditioning in conjunction with power projects for the oil & gas and marine sectors.

A core part of MPower’s business is to provide power generation systems to both onshore and offshore oil & gas projects. Its major projects include work for Conoco Phillips Petroleum’s Bayu Udan LNG project, Woodside Petroleum’s North Rankin 2 LNG project and Chevron’s Gorgon LNG project.

Tag has progressively increased its involvement in the power sector over a period of many years and is currently offering to acquire the outstanding 40.7% of the MPower Group that it does not already own. This important Integration Proposal has been accepted by all of MPower’s minority shareholders and is due to be considered by Tag shareholders at a general meeting on 14 September 2012.

**ENDS**

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