

TAG'S POWER INNOVATION REAPS AWARDS AND A NEW PILOT PROJECT

Sydney – 4 September 2013 – Innovative renewable energy storage systems developed by MPower, a wholly owned subsidiary of **Tag Pacific Limited** (ASX: TAG) were critical in winning two prestigious awards and in securing a pilot project for a ground-breaking residential trial being run in Victoria by power utility SP AusNet.

MPower designed the remote community storage and control systems that were used in both awards. MPower won first prize in the inaugural Renewable Energy Technology Challenge hosted jointly by Western Australia's Department of Commerce and the regional and remote electricity utility, Horizon Power. The second award involved the use of MPower's grid stability system technology by the Northern Territory's Power and Water Corporation in its winning entry for the Research, Development and Innovation Award for the TKLN Renewable Energy Project.

"It is great to see that the technology innovation developed by MPower is being strongly endorsed by government departments and power utilities in Western Australia, the Northern Territory and Victoria," Tag's CEO Nathan Wise said. "We are positioning ourselves at the leading edge of the energy storage and power convergence trend in Australia, which these initiatives show has particular relevance for remote communities and individual households."

The WA award called for innovative solutions to enable greater renewable energy penetration onto isolated electricity networks, particularly in the Pilbara region. MPower's solution enables Horizon Power to address problems of network stability, particularly during periods of rapid weather change. The award will spur MPower to further develop the technology so that it can be widely adopted by remote communities.

The MPower grid stability system used in the NT award focussed on the control of off-grid renewable energy storage systems and involved three remote communities covered by the TKLN Project. The system compensates for solar power outages by storing or regenerating energy. The TKLN Project is expected to save more than 440,000 litres of diesel and 1200 tonnes of carbon emissions each year.

A pilot project awarded to MPower by SP AusNet involves the supply of turnkey energy storage systems to address peak demand problems when the peaks exceed network capacity. The system will monitor power demands within individual households and use stored power during peak-load periods, thereby reducing demand on the network and avoiding peak tariff rates, cutting costs for householders. The technology is flexible, scalable and integrates with domestic electricity infrastructure.

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ASX ANNOUNCEMENT (continued)

ABOUT

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 and achieves above average returns.

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