



22 February 2012

Announcement of Share Placement

Pro-Pac Packaging Limited (**PPG**) today announces it has completed a placement of 20,628,645 shares in the Company at an issue price of \$0.45 per share (**Tranche 1 Shares**) and, subject to shareholder approval, intends to undertake a placement of a further 41,593,578 shares in the Company at the same issue price (**Tranche 2 Shares**), together to constitute the total placement of approximately 62 million shares to raise approximately \$28 million for the Company before expenses.

Investorfirst Securities Ltd, in its capacity as Lead Manager of the placement, has placed the Tranche 1 Shares with institutional, sophisticated and professional investors, with Bennamon Pty Ltd, PPG's largest shareholder, subscribing for 9,998,390 Shares and other sophisticated and professional investors as identified by Investorfirst being the placees of the balance of 10,630,255 Shares.

Settlement of the placement of the Tranche 1 Shares is scheduled to occur on 28 February 2012. The Tranche 1 Shares are expected to be quoted on the ASX on 29 February 2012.

PPG intends to seek shareholder ratification for the allotment of the Tranche 1 Shares and shareholder approval for the issue of the Tranche 2 Shares. In that regard, PPG expects to issue a notice of meeting to shareholders on or about 29 February 2012.

Mark Saus
Company Secretary

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