

5 September 2011

Company Announcements Office

Australian Securities Exchange

By e-Lodgement

Dear Sir / Madam

PACIFIC PYROLYSIS SECURES OFFER OF \$4.5M VICTORIAN GOVERNMENT FUNDING

WAG Limited (**WAG or the Company**) is pleased to announce that the Victorian Minister for Energy and Resources, the Hon. Michael O'Brien MP, has given a letter of offer for conditional funding support of \$4.5m to Pacific Pyrolysis Pty Ltd (**PacPyro**) under the Sustainable Energy Pilot Demonstration Program.

PacPyro has accepted the Victorian Government support for their "Carbon Negative Electricity" Project (**the Project**). The Project will establish a 2 tonne per hour organic waste to electricity and biochar facility in Melbourne. WAG and PacPyro would like to thank the Minister for the opportunity to make a significant contribution to the Energy Technology Innovation Strategy of the Victorian Government.

For PacPyro, the Project represents a key step in the commercial scale deployment of the PacPyro technology into the target markets of renewable energy, waste management, soil amendment (biochar) and carbon reduction. There are significant roll-out opportunities for the technology in Victoria and in other domestic and offshore markets, and the pilot Project will provide a critical commercialisation platform to access these opportunities.

The Victorian Government's support is subject to PacPyro executing a standard Funding Agreement and providing matching funding within 6 months of acceptance of the offer.

As advised on 29 August 2011, as part of its acquisition of PacPyro, WAG is seeking to raise \$5.0m to accelerate the commercial scale deployment of the PacPyro technology through the development of strategic relationships with large international companies and institutions. PacPyro's technology delivers sustainable and value add waste management outcomes, renewable energy, beneficial soil amendments (biochar) and carbon reduction.

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