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NOTICE OF ANNUAL GENERAL MEETING & PROXY FORM

19th October 2009

Please find attached the QMASTOR Limited Notice of Annual General Meeting and Proxy form as despatched to shareholders on the 16th October 2009.

About QMASTOR Limited

QMASTOR Limited (ASX: QML) is a market leader in the provision of specialist management information systems and services to the global mining, port, power generation and other bulk commodity industries. QMASTOR has pioneered innovative solutions to empower clients to improve their operations and maximise profit through the efficient use of resources across the supply chain.

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16/10/2009

NOTICE OF ANNUAL GENERAL MEETING - QMASTOR LIMITED

Notice is hereby given that the Annual General Meeting of QMASTOR Limited will be held at The Menzies Hotel, 14 Carrington Street Sydney NSW 2000 at 4pm on Tuesday 17 November, 2009.

The default option for receiving the annual report has changed from a printed copy to be via our website. Notice is hereby given that the 2009 Annual Report is now available at www.qmastor.com

Agenda

1. Reports

To receive and consider the Financial Report and the Directors' Report together with the Auditor's Report for the year ended 30 June 2009.

2 Election of Directors

(a) Ron Fredericksen, who was appointed as a Director since the last Annual General Meeting, retires in accordance with S12.5 (b) and, being eligible, offers himself for election.

(b) The directors of QMASTOR have recommended John Wasik as a director under S12.12(b) of the constitution. John Wasik has given his consent to act as a director in accordance with s.201D(1) of the Corporations Act 2001 and being eligible, offers himself for appointment as a Director under S12.11 of the constitution.

Information about both candidates is set out on in the Explanatory Notes to this Notice of Meeting.

Allan Davies retires in accordance with S12.9(a) (i) of the constitution and has provided notice that he does not offer himself for re-election.

3 Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"That the Remuneration Report (contained within the Directors' Report on pages 9-17 of the Company's Annual Report for the year ended 30 June 2009) be adopted".

4 Special Business

(a) Issue of Options under the QMASTOR Employee Option Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

For the purposes of ASX Listing Rule 10.14 that approval is given for the issue of securities under the existing QMASTOR Employee Option Plan enacted in 2001.

(b) Ratification of Allotment and Issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 2,128,750 ordinary shares issued to persons who are not related parties of the Company.”

NOTICE OF ANNUAL GENERAL MEETING - QMASTOR LIMITED

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11.1, QMASTOR will disregard any votes cast on Item [4] by:

- (a) any eligible employee and their associates; and
- (b) any director of the company and their associates.

However, QMASTOR need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

By Order of the Board



Alana Gudgeon
Company Secretary

Date: 16th October 2009

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed proxy form. Proxies must be deposited or faxed to the registered office of the Company by 5pm on Friday 13 November 2009. A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the member's voting rights. A proxy need not be a member of the Company.

Under Regulation 7.11.37 of the Corporations Regulation the Company has determined that voting entitlements for the purpose of the meeting will be based on registered holdings at 9am on Monday 16 November 2009.

Explanatory Notes

Agenda Item 2 - Information about the candidate for election as Director:

(a) RON FREDERICKSEN

Mr Fredericksen was appointed as a non-executive Director in February 2009. Mr Fredericksen is 51 years of age.

Mr Fredericksen brings to the Board very broad practical experience in information technology management, risk management, strategy and business development. He has a strong background and experience in the role and alignment of technology in mining. Ron has formerly held senior executive positions as Global Lead ITC for the BHP Billiton Carbon Steel Materials Group and as the IT Manager for BHP Billiton Mitsubishi Alliance (BMA Coal) and Minera Escondida Limitada (Chile). He is experienced in establishing and conducting business in Latin America (Chile, Peru, Colombia and Bolivia).

Mr Fredericksen has a Bachelor of Science degree with over 23 years experience in the Australian and Latin American mining operations. He is a graduate member of the Australian Institute of Company Directors.

Recommendation

Mr Fredericksen has abstained from making a recommendation in relation to his own election. The Directors not directly involved in the above resolution recommend that Shareholders vote in favour of the Director standing for election.

(b) JOHN WASIK

Mr Wasik has held a number of senior positions within the Peabody Group including Group Executive-Southwest Operations and General Manager – Ravensworth Operations. Mr Wasik has also served on a number of committees within the NSW mining industry and the NSW Minerals Council.

Currently Mr Wasik is Director of Ampcontrol Pty Ltd and Alternate Director of CSM Energy. Ampcontrol is an unlisted company and one of Australia's leading international suppliers of electrical and electronic products to the power and mining sectors. CSM Energy is also an unlisted company dedicated to providing innovative solutions to the degasification of coal mines both from an underground and open cut perspective.

Mr Wasik has a Bachelor of Science (Mineral Exploitation) degree with over 24 years experience in the Australian and international mining industry. He is a graduate member of the Australian Institute of Company Directors. Mr Wasik is 56 years of age.

Recommendation

The Directors not directly involved in the above resolution recommend that Shareholders vote in favour of the Director standing for election.

Agenda Item 4 (a) – Employee Option Plan

Under ASX listing rule 10.14 the Company is required to obtain approval for the issue under the QMASTOR Employee Option Plan to a director.

The QMASTOR Employee Option Plan was enacted in 2001. The terms of the QMASTOR Employee Option Plan proposed by this resolution are the same as those enacted in 2001.

The Company has issued 900,000 options under the existing QMASTOR Employee Option Plan in 2008 (600,000 to Mr Trent Bagnall – Managing Director and 300,000 to Mr Steve Maxwell – General Manager). These options have not been exercised.

The Company wishes to continue to use the QMASTOR Employee Option Plan as part of an overall strategy of incentivising senior management. The board considers the offering of options the most appropriate and practical way at the moment to align the reward for performance with shareholder interests. The board has undertaken to review these arrangements when regulatory guidelines become clearer.

If approved the company intends to issue the following options:

Mr Trent Bagnall –Managing Director

Three separate tranches of 200,000 share options each at no consideration; the maximum number of share options being 600,000. The exercise price of the options is 28 cents which represents the ten consecutive trading days VWAP immediately following the 20th of April 2009. Exercisable in the following manner;

- First Tranche of 200,000 at 40 cents ordinary market share price
- Second Tranche of 200,000 at 60 cents ordinary market share price
- Third Tranche of 200,000 at 80 cents ordinary market share price

Mr Steve Maxwell –General Manager

Three separate tranches of 100,000 share options each at no consideration; the maximum number of share options being 300,000. The exercise price of shares is 28 cents which represents the ten consecutive trading days VWAP immediately following the 20th of April 2009. Exercisable in the following manner;

- First Tranche of 100,000 at 40 cents ordinary market share price
- Second Tranche of 100,000 at 60 cents ordinary market share price
- Third Tranche of 100,000 at 80 cents ordinary market share price

Options granted will be in accordance with the QMASTOR Employee Option Plan, and will be granted within 12 months of the date of the 2009 Annual General Meeting.

The key terms of the QMASTOR Employee Option Plan (EOP) are summarised as follows.

- **Eligibility**

The Board may from time to time invite Employees to participate in the EOP and acquire options over Shares in the Company.

- **Eligible Directors**

Non-executive directors are not eligible to participate in the scheme. Mr Trent Bagnall in his capacity as Managing Director is eligible to participate.

- **Maximum number of options that can be issued**

The maximum number of unexercised options, subject to the rules of the EOP shall not exceed 5% of the issued capital of the Company.

- **Manner of acquisition**

The Employees will be invited to accept an issue of options at nil consideration. The exercise price of the options must not be less than the greater of \$0.20 or the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the ten consecutive trading days immediately following a date determined by the committee and advised immediately to the Board.

- **Cancellation**

Should any Employees not elect to exercise their options then the options will expire at the end of 4 years from the date of grant.

- **Other Provisions**

Options granted under the plan carry no dividend or voting rights.

Options granted under the Plan are non-transferrable.

Each participant in the EOP may request the Company extend an interest free loan to exercise the options granted.

The EOP rules also contain various provisions relating to administration of the EOP, variation of the EOP rules and termination of the EOP.

Details of any Options issued under the EOP and listing rule ASX 10.14 will be published in the annual report at the end of each period.

Any additional persons who become entitled to participate in the EOP who were not named in this Notice of Meeting will not participate until approval is obtained under listing rule ASX 10.14.

Options will be granted under this resolution within 3 years of the date of the 2009 Annual General Meeting.

- Summary of Loan Terms

Subject to sub-section 260C(4) of the Corporations Act 2001, the Company may, at the request of an Employee, extend an interest free loan to the Employee to enable him to exercise any Options granted.

The loan is repaid from dividends, from the Employee's own resources and/or from the proceeds of sale of the Option shares. The loan must be repaid the earlier of:

- 4 years from the date of the loan
- The date of cessation of employment with the Company
- The date of sale or transfer of the Option shares

The Company will be entitled to retain any share certificates relating to an Employee's Option Shares so long as any part of the Loan to that Employee remains outstanding.

Effect of the granting of the financial assistance on the Company

As the loan funds are used for payment of the exercise price payable on exercise of the Options, the funds will be immediately returned to the Company in the form of subscription money. The granting of the loans will therefore have no effect on the Company's cash flow (other than in respect of any costs associated with the granting of the loans which are not expected to be material).

Upon issue of the Shares, the Company's books of account will reflect an increase in contributed equity and, until such time as the loan is repaid, a current asset in the form of the loan outstanding from the relevant employee. Upon the repayment of the loan the funds received will be available to the Company as working capital.

The main negative effect the financial assistance may have is where the Shares subject to the loans are sold at a value less than the amount outstanding on the loan resulting in the Company not receiving full repayment of the loan. The Directors, however, do not consider that such an effect is material due to relatively small amounts of the loan and the unlikelihood that employees will be willing to sell the Shares at a loss. It is not therefore expected that the giving of the financial assistance will have any significant effect on the financial position of the Company, although any loss of the Company will need to be included in its accounts.

The Directors do not consider that the provision of the loans will materially affect the Company's ability to pay its creditors as it does not involve any actual payments of cash nor does it involve the Company disposing of any assets. For these reasons, the Directors do not consider that the giving of the financial assistance will be likely to materially prejudice the interests of the Company or its Shareholders or the Company's ability to pay its creditors.

Reasons for providing the financial assistance

The financial assistance will assist employees (including salaried Directors) to participate in the EOP by exercising Options that are granted or to be granted under the EOP, or that are brought under the EOP.

The success of the Company and its Shareholders depends greatly on the people employed by the Company. To maintain and improve performance, the Company has an ongoing need to motivate, incentivise and retain an excellent and dedicated management team and key employees and to recognise the significant past contributions of key employees.

The provision of the financial assistance when used as part of the EOP provides additional means to achieve this goal and will continue to:

- provide an incentive to employees to work to improve the performance of the Company;
- attract and retain valued employees essential for the continued growth and development of the Company;
- establish a sense of ownership in the Company for the employees;
- promote and foster loyalty and support amongst employees for the benefit of both the employees and the Company;
- enhance the relationship between the Company and its employees for the long term mutual benefit of all parties; and
- enable the Company to attract high calibre individuals, who can bring expertise to the Company.

Director's recommendation

Mr Bagnall, being eligible to participate in the EOP, has abstained from make a recommendation in relation to this resolution. The Directors not directly involved in the above resolution recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

Agenda Item 4 (b) – Ratification of Allotment and Issue of Shares

Under ASX Listing Rule 7.4, a company may seek shareholder approval to ratify an issue of securities provided that the issue does not fall within one of the exceptions to Listing Rule 7.1 and did not breach the 15% restriction contained in Listing Rule 7.1. This resolution, if approved, will allow the Company to have the flexibility to make future issues of securities up to the threshold of 15% of its total equity securities in any 12 month period.

This resolution proposes the ratification of the issue and allotment of 2,128,750 ordinary shares in the capital of the Company at an issue price of \$0.28 each. The Company confirms that the issue and allotment of these securities did not breach ASX Listing Rule 7.1.

As per Listing Rule 7.5 the details of the issue and allotment were as follows:

- (a) 2,128,750 ordinary shares were issued by the Company;
- (b) the issue price per share was \$0.28;
- (c) the shares were allotted to Coal Link Investments Pty Ltd A.C.N. 136 825 646 as trustee for the Coal Link Investment Trust, which company is related to one of the sellers of the shares in Coal Link Australia Pty Ltd A.C.N. 092 613 986 (“**CLA**”);
- (d) no funds were raised from this placement – the shares were issued as partial consideration for the Company's acquisition of the shares issued in CLA; and
- (e) the Shares rank equally with the existing Shares.

Voting Exclusion Statement

The Company will in accordance with the Listing Rules of the ASX, disregard any votes cast on this resolution by any person who participated in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Director's recommendation

The Directors not directly involved in the above resolution recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

Instructions for completion of proxy form

Appointment of Proxy

If the person you wish to appoint as your proxy is someone other than the Chairman of the meeting, please insert that person's name in the appropriate space. If you leave this section blank, or your named person does not attend the meeting, the Chairman of the meeting will be your proxy. Your proxy may be an individual or a body corporate and need not be a shareholder of the company.

Appointment of second proxy (optional)

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained from the company's administration office or you may copy this form.

To appoint a second proxy:

- a) on the first proxy form, state the number of shares or the percentage of your voting rights applicable to the first proxy
- b) on the second form, state the number of shares or the percentage of voting rights applicable to the second proxy
- c) return both forms in the same envelope.

If the forms do not specify the number or percentage of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of vote will be disregarded.

Voting directions to proxy

You may direct your proxy how to vote by placing an 'X' in one of the four boxes opposite each item of business. All your shares will be voted in accordance with your direction unless you indicate only a portion of voting rights are to be voted on an item by inserting the number or percentage of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on an item, your proxy may decide how to vote on that item. If you place an 'X' in more than one box on an item, your vote on that item will be invalid.

Signature/s

You must sign the form as follows in the spaces provided:

- Individual: where the shareholding is in one name, the shareholder must sign
- Joint holding: where the shareholding is in more than one name, all the shareholders must sign
- Power of attorney: to sign under power of attorney, the power of attorney must have been lodged with the share registry or a certified copy of it must accompany this form.
- Companies: where the company has a sole director this form must be signed by that person. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

Lodgement of proxy

The complete proxy form (and any power of attorney under which it is signed) must be received by QMASTOR Limited by no later than 5pm (Sydney time) on Friday 13 November 2009. Any proxy received after that time will be invalid. Documents may be lodged by posting, delivery or facsimile to the registered office of QMASTOR Limited at 22 Frith Street, Mayfield West NSW 2304.