



Dear Shareholders,

I am pleased to address you at this Annual General Meeting and do so in a positive mood as I report the recent happenings at QMASTOR Limited.

Let me first introduce the recent appointments to the QMASTOR Limited board. Mr Ray Miller was appointed to the board on the 1st of August, he brings a strong financial knowledge from previous experience with large resource companies including BHPB and MIM. Mr Alan Davies was appointed to the board on the 18th of October bringing to the board considerable personal experience in resource development and logistics management. Adding this experience to QMASTOR will assist the company in crystallising the vision for the future QMASTOR.

You will recall I commented in the Annual Report on the company's return to profitability in the 2007 year. We had set ourselves this objective at the beginning of the year and I commend the QMASTOR team for achieving this goal while devoting considerable resources to the future growth of the company. This resulted in substantial costs being expensed in the past year in anticipation of revenue in later years. I must say this was no gamble, but simply reflected the Board's belief in the conviction of the management team.

Today, I am pleased to report this commitment has already delivered extensive reward to the company and the shareholders. I will deal with that later in this report.

Firstly, I would draw shareholders attention to what I believe is the major asset of our company and that is the trust placed in QMASTOR by the largest global resource companies. Management of product quality is one of its most important function for any resource company. Our customers, by entering long term partnering agreements with QMASTOR endorses our technology and management team.

In the short period since we lodged our Annual Report we have secured a number of significant new contracts:-

1. Anglo Coal Australia
2. OK Tedi Copper PNG

Today, I am delighted to announce a major contract with Fortescue Metals Group Limited (FMG). This is major contract for QMASTOR's products at FMG. QMASTOR's Pit to Port.net will provide an integrated platform to manage these operations for complete supply chain management, ore tracking, grade control and blending, transportation management and logistics scheduling, contract management and invoicing

All of these contracts will contribute to earnings in the current year. For the benefit of shareholders who have recently invested in the company our contracts are all multi structured with an upfront licence fee, a system installation fee with a tailing maintenance fee over the period of the contract usually five years. Experience to date suggests, after installation of our products, customer's request additional enhancements that can be as much as 40 percent of the original contract amount. This is consistent with our philosophy of partnering with our customers to achieve further and continuous enhancement.

There is a lead time between order and installation however given the companies current order book the Board is confident our projections for the 2008 financial year will be achieved. While we will continue our investment in the further development of our suite of products we are confident our target earnings of 1.0- 1.5 cents per share will be achieved. This may mean a return to dividend payments possibly commencing from earnings in the first half ended December, 2007.

I am sure I speak for all shareholders in extending congratulations to our Managing Director, Trent Bagnall, and his team for developing QMASTOR into an internationally recognised company with state of the art technology.

I will hand over to Trent and I am sure he will inform you that QMASTOR today is only the base upon which a far more substantial company will evolve.

I thank you for your attendance.

Alfred Wong,
Chairman.