



ABN: 44 088 334 972
Newcastle Office:
Box 92 Hunter Region Mail Centre
NSW 2310 Australia
Phone: +61 (2) 4908 2222
Fax: +61 (2) 4968 2043

CHAIRMANS ADDRESS –AGM NOV 2008

Good afternoon Ladies and Gentleman and welcome to the 2008 annual general meeting of QMASTOR Limited.

I am Ray Miller. This is my first address to you as Chairman, and I am delighted to be given this opportunity to speak on behalf of the Board.

We decided this year was appropriate to hold the AGM in Brisbane as approximately 20% of our shareholders come from Queensland. We thank you for taking the time to join us today, especially those that have travelled to be here.

Firstly, I would like to introduce the Board and some members of our management team; Trent Bagnall, our Managing Director who will address you shortly; Steve Maxwell our General Manager, Alana Gudgeon our Secretary and Finance Manager. Due to a commitment overseas, Director Allan Davies was unable to be here today. He offers his sincere apologies.

It is pleasing to see the strategic direction and plans of the company being delivered and starting to provide real rewards to our shareholders. The 2008 year has been an outstanding record year for QMASTOR, the start of a trend that we are confident will continue in years to come.

I do not intend to dwell too much on the financial results. These will be discussed in more detail by Trent in his presentation and have also been covered quite well in our releases to the market in August and in the Annual report. I would like to just highlight:

- Revenue- 89 % increase to \$5.1m
- Net Profit before Tax - 740 % increase to \$1.012m
- Earnings per share - 3.05 cents-well above our target of 1 to1.5 cents.
- Return on average equity of 19% for our shareholders

Of course the declaration and payment of a dividend of 1 cent per share, the first since 2001 was a significant milestone, and one that was well earned by all shareholders.

All these results are based on earnings and returns from ordinary activities and exclude the one off impact of the impairment write back as a result of a revaluation of the intellectual property.

These successful outcomes are a tribute to the performance and dedication of all QMASTOR Management, employees and the patience and faith of our shareholders.

QMASTOR's strategy is to provide our customers with leading edge bulk material software solutions and associated services. Our products and services are continually enhanced to satisfy market demand throughout the mining, infrastructure and bulk commodity industries.

It is a critical part of our business that we develop strong partnerships with our customers and ensure these relationships are viable over the long term. Improving their business performance provides a platform for product development and growth for QMASTOR. This underpins an increase in market share both domestically and globally. Continued revenue comes from long term contracts for software licencing, support services and software



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maintenance. We expect that 50% of this revenue will be coming from international sources in 5 years.

We will consider merger and acquisition activity within the mining and bulk commodity software sector as they arise

At the AGM last year we announced a major contract with Fortescue Metals and since then we have announced significant contract signings with;

- South African Iron Ore Miner – Assmang;
- A leading Australian Iron Ore producer – a group contract for 11 Australian sites; New Zealand Coal producer – Solid Energy;
- OK Tedi Mining Limited in PNG, our first contract in copper/gold;
- Dalrymple Bay Coal Terminal at the Port of Hay Point in Queensland and;
- One Steel Whyalla - first contract for our new Advanced Planning and Scheduling product, Horizon.

We recently opened up branch offices in Perth, Mackay and Johannesburg all with the view of enhancing our customer service. With our global footprint growing, the next 12 months will see us continue to add to our client list as we focus on growing our customer base across different industry sectors in the domestic and global market.

QMASTOR has the necessary leadership capabilities available within the Board and Management to continue to guide us in improving our market position both domestically and globally. Importantly, I am confident that we can continue to align ourselves to the needs of our customers in order to develop our systems and make QMASTOR the partner of choice.

It is pleasing to note that over the past 12 months, in what has been a difficult and volatile time for the share market, QMASTOR shares have held up remarkably well in comparison.

Shareholders can be assured that the Board ensures a robust corporate governance structure is not only in place but is part of the culture and values of the company. Similarly, these structures and policies are continually reviewed to meet our growing demands. The Board actively participates in the strategic planning process and has contact with management throughout the year.

Since our last AGM, Alfred Wong resigned as Director and Chairman. The Board is appreciative of the service and guidance provided by Alfred, and we expect to announce a replacement in the near future.

Since the release of our annual report, the global and local financial markets have deteriorated further. QMASTOR's exposure to the high risk industries is low, and we have a diverse range of customers across different commodities.

Whilst recent months have seen a slowing down in the investment in information technologies, we are confident most mining and infrastructure industries will continue to invest, although at a slower rate, to improve their productivities as one measure to combat the current situation.



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We acknowledge our business is not immune to this slowdown, and expect it to have an impact. This impact will be known more fully in the second half of 2009 once our customers have had time to re-evaluate their positions. With 80% of our expected revenues for 2009 under contracts we remain confident that our targeted revenue of \$9m and earnings per share of 3.25 to 4.0 cents per share will still be met. We also expect to continue to pay a dividend for the 2009 year.

The Board is mindful of the desire of the shareholders to have a balance in their returns between income and capital. Shareholders can be assured the payment of a dividend is always a consideration along with delivering long term sustainable growth and minimizing financial risk.

I would like to comment on a couple of the resolutions being put to you today;

Employee Option Plan- the Board considers this plan as a very significant part of an overall reward strategy. It provides market related incentivisation to senior management for achievement of strategic objectives and results in sustained growth in shareholder wealth.

Remuneration of non executive Directors- This is a topical issue for shareholders and one that the Board has not taken lightly. Great consideration has been given to this, including seeking the advice from an independent consultant in the field. Factors to consider include; Directors fees have been unchanged since 2001; the nominated amounts are below the median of the independent consultants recommended range and; it is imperative for QMASTOR to achieve its aggressive growth plans and attract and retain professionals of the calibre appropriate to these needs.

On behalf of myself and the shareholders I would like to acknowledge the significant contributions of Alan Davies as Director, Trent Bagnall Managing Director, QMASTOR's management team and staff in delivering an outstanding performance and providing confident growth opportunities and enhancing shareholder wealth for future years.

Trent will now present to you on the Business performance, elaborate further on our strategies and future outlook and will take questions on his presentation.

Following Trent's presentation we will move to the formal part of the agenda as per the Notice of Meeting. For each resolution, opportunity will be provided for shareholders to ask questions. At the conclusion of the formal part of the meeting an opportunity will also be given to ask further general questions.

After the meeting the Directors and Management invite you join them outside for some light refreshments.

Mr Ray Miller

Chairman
19th of November 2008