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QMASTOR signs Heads of Agreement to acquire leading Port Logistics Management Company

April 24, 2009

QMASTOR Limited (ASX:QML) is pleased to announce that it has signed a binding Heads of Agreement to acquire all the shares in Coal Link Australia Pty Ltd (CLA). CLA, founded in 2000, is a respected independent provider of logistics management and documentation services for more than a dozen leading coal suppliers and traders in the Hunter Valley coal supply chain. The target date for completion of the acquisition is 1st May 2009.

Under the terms of the arrangement, QMASTOR will acquire 100% of the issued shares in CLA for a target consideration of \$1,400,000. This will be paid in three instalments. The initial instalment of A\$1,080,000 will be paid at completion and will be made up of a A\$483,000 cash payment and 2,128,750 QML shares.

A second share tranche, based on revenue performance by the CLA business unit, of up to 1,247,321 QML shares will be made at the end of the first year after the acquisition. The agreed target revenue would result in the issue of 818,750 QML shares.

A final share tranche of 327,500 QML shares will be made at the end of the second year after the acquisition.

CLA's revenues to 30 June 2009 are expected to be in a range of A\$800,000 to A\$900,000. The acquisition is expected to be earnings per share positive of approximately 13% after dilution. The acquisition multiple for the CLA acquisition is expected to be 3.5 times EBIT. The cash component of the acquisition will be funded from a new debt facility. Based on the target revenues, QML expects to issue a minimum 3,275,000 shares. This will represent 7.5% of the new total issued capital (8.1% of existing issued capital).

The acquisition will build on QMASTOR's recent entry into the Port Management systems space. CLA's expertise in this space will add significantly to QMASTOR's software and reputation in the industry. None of CLA's customers are currently QMASTOR clients and both companies see significant value for each other's customers in this transaction. CLA will use QMASTOR's existing Pit to Port.net® and Horizon APS™ technology in the day to day management of the CLA business.

Managing Director of QMASTOR Mr Trent Bagnall said "Both companies expect to leverage significant synergies from our combined knowledge and customer base. QMASTOR currently carries out logistics services for BHP Billiton in the Illawarra region of NSW. The acquisition of CLA will help build on these services.

CLA is a profitable niche company in the port logistics space. The acquisition of CLA will add significant value for QML shareholders and delivers on the promise of acquiring profitable companies that are synergistic and accretive to EPS."



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Managing Director of CLA Mr John Hughes said "The new relationship with QMASTOR was both a significant and logical step in CLA's future growth.

QMASTOR is a world-class operator that will bring extensive, exciting and valuable prospects for CLA's clients including the potential to expand into new and emerging markets. Its investment in CLA provides us with the opportunity to broaden our horizons and cement the future of our company, our employees and our growing client network. I look forward to working with QMASTOR to enhance value, improve efficiency and provide an extended scope of services to CLA's existing and future clients."

The Heads of Agreement is subject to and conditional upon:

- Due diligence being completed on or before 1st May 2009
- Final QMASTOR board approval
- Any other regulatory approvals, as required
- The parties entering into a Share Sale Agreement, on mutually agreed terms.

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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