

QMASTOR OPERATIONS AND GUIDANCE UPDATE

- **Outlook remains extremely positive for QMASTOR with a growing project pipeline and tendering activity returning to pre-2009 levels.**
- **Interim result underpinned by solid revenue receipts despite tough conditions.**
- **Significant investments made in new product and international market development.**
- **1st Half FY2010 results adversely impacted by GFC lag and investments in growth.**
- **Key client relationships strengthened with new contracts and extensions.**
- **Strong outlook for second half of FY10 and FY11.**

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 Limited (ASX:QML) today issued an operations and guidance update following the publishing of the Company's half year results and progress on major projects.

Review of 1st Half FY2010 Results

The directors of QMASTOR (ASX: QML) announced a Net Profit after Tax **of \$82.9K** (\$1.072M 2008) for the half year ended 31 December 2009. The revenues for the half year were **\$3.447M** (\$4.968m 2008). The result was in line with the company's budget and previous AGM forecast of an adversely affected first half.

"QMASTOR's service revenues have remained strong, but the general market uncertainty through 2009 has led to lower software licensing revenue, primarily as a result of the GFC's impact on our mining customers 2009 capital budgets. Despite a weaker first six months, a number of new software license sales are expected in the second half with QMASTOR on track to deliver targeted revenues of between \$9-10 million for FY2010", the Managing Director of QMASTOR Limited, Mr Trent Bagnall said today.

Commenting on the result, Mr Bagnall said, "Highlights have included strong revenue receipts from customers of \$5.135M, solid progress made on our key new product

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development investments, Horizon APS and PortVu, and successful project deliveries in our recently expanded international markets of Africa and North America. It is also particularly pleasing to have a number of key client relationships strengthened through extensions of contract terms and/or additional services. With QMASTOR's first Share Purchase Plan raising \$4M, the funds are being used to execute the Company's strategic plan of investing in organic growth through new product, industry sub-sector and international expansion. The board has declared an interim dividend of 0.25 cents per share. The board is expecting an improved second half performance and with our sales pipeline building well into 2011, expects to be in a position to continue with dividend momentum at the full year result.

FY2010 Guidance

Despite a weaker first six months, QMASTOR is on track to achieve targeted revenues of \$9-\$10 million for FY2010. A number of significant sales are expected by the end of the 3rd quarter of 2010 and the board expects to be able to be in a position to give shareholders an accurate forecast for both Revenue and Profitability at that time.

The Board views the reduction in margins that are resulting from the Company's investment in growth to be temporary in nature, and is part of the cost of QMASTOR's growth strategy, which will see the company targeting aggressive revenue growth to \$30M by the end of FY2012.

Outlook Remains Positive

"Confidence has returned to the core mining sector in which we operate and tendering activities are high in both the mining and ports sectors. With the strategy to diversify geographically also starting to yield results, and an improved cash position, QMASTOR has a solid base for its continued expansion internationally and for further acquisitions, where appropriate," Mr Bagnall said.

About QMASTOR Limited

QMASTOR Limited (ASX: QML) provides innovative bulk material software solutions 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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