

15/10/2007

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, at 4pm on Thursday 22 November, 2007.

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 2007 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 2007.

2 Election of Directors

- a) Mr Alfred Wong, retires by rotation in accordance with Rule 12.9 (a)(i) of the Company's Constitution and, being eligible, offers himself for re-election

Information about the candidate is set out on in the Explanatory Notes to this Notice of Meeting;

- b) Mr Raymond Miller, who was appointed as a Director since the last Annual General Meeting, retires in accordance with s.201H(3) of the Corporations Act 2001 and, being eligible, offers himself for 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 10-13 of the Company's Annual Report for the year ended 30 June 2007) be adopted".

4 Special Business**Approval to establish and operate the QMASTOR Limited Share Acquisition Scheme**

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

"For the purposes of ASX Listing Rule 7.2 exception 9 (as an exception to ASX Listing Rule 7.1) and section 260C(4) of the Corporations Act 2001 (Cth), that the Directors be and are hereby authorised:

- (a) to establish a new employee share plan to be called the "QMASTOR Limited Share Acquisition Scheme" (Scheme), the particulars of which are summarised in the Explanatory Notes to this Notice of Meeting;

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- (b) to make contributions to a corporate trustee (which is to be established under the Scheme rules) to acquire QMASTOR shares to be held on trust for eligible employees under the terms of the Scheme; and
- (c) to satisfy the grant of shares under the Scheme with QMASTOR shares acquired on the Australian Stock Exchange or by issues of new QMASTOR shares.”

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



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Company Secretary

Date: 15th October 2007

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 Monday 19 November 2007. 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 Wednesday 23 November 2007.

Explanatory Notes

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

Mr Alfred Wong

Appointed as a non-executive Director in May 2003. Mr Wong is 46 years of age.

Mr Wong has extensive experience in financial services and property industries. He formerly held a number of executive management positions in leading financial institutions and banks in Australia including Capital Financial Group and State Bank NSW

Mr Wong has a Bachelors degree in Arts from the University of Hong Kong and a Masters of Business Administration from the University of NSW.

Recommendation

Mr Wong 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.

Mr Raymond Miller

Appointed as a non-executive Director in August 2007. Mr Miller is 59 years of age.

Mr Miller has extensive and diverse international and domestic experience in the resources and manufacturing industries for over 35 years. He has formerly held a number of executive positions at MIM Holdings Ltd, BHP Steelmaking and Energy Materials group and Gallipoli Mining where he currently is the Managing Director.

Mr Miller has a Bachelors degree in Commerce from the University of Newcastle and is a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors.

Recommendation

Mr Miller 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.

Agenda Item 4 - Share Acquisition Scheme

The Board has reviewed QMASTOR's existing remuneration arrangements and has determined that it would like to create a community of interest between QMASTOR's employees and shareholders in an attempt to maximise returns.

QMASTOR seeks shareholder approval for the introduction of the QMASTOR Limited Share Acquisition Scheme (**Scheme**) and approval for any issue of shares under the terms of the Scheme as an exception to ASX Listing Rule 7.1. If approved, it is intended that the Scheme will commence operation on or around 1 January 2008.

The Scheme seeks to give eligible employees an opportunity to share in the growth and value of QMASTOR through the acquisition of ordinary QMASTOR shares and to assist in the attraction, motivation and retention of those employees.

A description of the Scheme is set out below. Copies of the draft Scheme rules are available for inspection at QMASTOR's registered office and will be provided without charge to shareholders on request.

Eligibility

All permanent full time and part time employees of QMASTOR will be invited to participate in the Scheme with the Board having the discretion to require a minimum period of employment with QMASTOR prior to participation.

Directors of QMASTOR will not be eligible to participate in the Scheme.

Contributions

Where an eligible employee accepts the invitation to participate in the Scheme, then QMASTOR will make contributions on behalf of that participant to a corporate trustee to be established under the terms of the Scheme (**Trustee**).

Initially, those contributions will be set as a fixed percentage of 2% the basic wage or salary paid to that participant employee. The directors will review this percentage annually and adjust the percentage at the board's discretion. Twice a year in January and July QMASTOR will calculate the amount to be contributed to the Trustee on behalf of each participant.

In the future, QMASTOR may allow participants to enter into a salary sacrifice arrangement to acquire shares in accordance with the terms of the Scheme.

Restrictions and trust arrangement

The contributions made by QMASTOR on behalf of participants will be used by the Trustee to purchase QMASTOR shares either on the Australian Stock Exchange or by subscription for new QMASTOR shares. Although the rules of the Scheme allow for QMASTOR's contributions to be used by the Trustee to either subscribe for new shares or to acquire shares on market, it is the Board's current intention that to the extent reasonably possible all shares allocated to participants under the Scheme will be existing shares acquired on market to avoid dilution of existing shareholders' equity.

Shares acquired by the Trustee using the funds provided by QMASTOR will be registered in the name of the Trustee, who will hold those shares on trust for each participant.

Shares held under the Scheme will be subject to a trading lock period, which is the period concluding on the earlier of:

- (a) three years after the shares are acquired; or
- (b) the date on which a Participant ceases to be an employee pursuant to the Scheme Rules.

During that trading lock period, the shares acquired under the Scheme will not be able to be disposed of or transferred by a participant and no security interest (such as charges or mortgages) can be held against the Scheme shares.

The Scheme is designed to enable employees to benefit from concessions available under Australian tax laws under which an employee may defer a taxable event in respect of the shares acquired for so long as the shares remain subject to a restriction on disposal.

The shares acquired under the Scheme will be quoted on the ASX and will rank equally with all existing ordinary shares in QMASTOR. Participants will be eligible to receive any dividends paid in relation to the shares held by the Trustee on their behalf.

Scheme limits

The aggregate number of QMASTOR shares which may be acquired under the Scheme at any time must not, when added to:

- (a) the number of shares which would be issued were each outstanding offer with respect to shares, units of shares and options to acquire unissued shares under an employee share scheme to be accepted or exercised; and
- (b) the number of shares issued during the previous 5 years pursuant to the employee share scheme or any other employee share scheme extended only to eligible employees,

exceed 5% of the total number of QMASTOR shares on issue at the time.

Approval as an exception to ASX Listing Rule 7.1

This resolution seeks approval of the Scheme and issues of shares under the Scheme for the purposes of meeting the requirements of ASX Listing Rule 7 and section 260C(4) of the *Corporations Act 2001* (Cth).

ASX Listing Rule 7.1 contains restrictions relating to issues of shares exceeding 15% of the issued capital of a listed company in the 12 months before the date of issue. However, under Exception 9 of ASX Listing Rule 7.2, an issue of securities under an employee incentive scheme is an exception to ASX Listing Rule 7.1 if, within three years before the date of the issue, shareholders have approved the issue of shares.

Section 260C(4) of the *Corporations Act 2001* (Cth) allows QMASTOR to provide financial assistance to persons for the purpose of acquiring shares in the company under an employee share scheme, as long as shareholder approval is obtained.

As the Scheme is not yet in operation, no securities have been issued under the Scheme to date.

Director's recommendation

The Directors recommend that shareholders vote in favour of this resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

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 NSW 2310 Australia
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PROXY FORM

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 2007 Annual Report is now available at www.qmastor.com

Please see the instructions for the completion of this proxy form on the reverse.

Box 92 22 Frith Street
 HRMC NSW 2310 MAYFIELD WEST NSW 2304
 Phone: 612 49082222 Facsimile: 612 49682043

1. Appointment of Proxy

I/We _____
 of _____

being a member/s of **QMASTOR Limited** and entitled to attend and vote hereby appoint:

 or, failing the person named, or if no person is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no instructions have been given as the proxy sees fit) at the annual general meeting of QMASTOR Limited to be held at The Menzies Hotel, 14 Carrington Street, Sydney, at 4pm on Thursday 22 November 2007 and at any adjournment of that meeting.

2. Voting directions to proxy

For each item of business on the agenda, please mark 'X' in one box only to indicate how you wish your vote to be cast. If you mark the 'Abstain' box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll. Unless otherwise instructed, your proxy may vote as he/she thinks fit.

Agenda Item:	FOR	AGAINST	ABSTAIN
2a Election of Mr. Alfred Wong as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2b Election of Mr. Raymond Miller as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of Remuneration Report as a non-binding ordinary resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to establish and operate the QMASTOR Limited Share Acquisition Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote in favour of each item of business.

3. Signature of shareholder/s

Shareholder 1/Sole Director _____
 Shareholder 2/Director _____
 Shareholder 3/Director/Secretary _____
 Date: _____

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 three 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 Monday 19 November 2007. 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.