

**QMASTOR Limited**  
**2006 Annual General Meeting**

**Chairman's Address to Shareholders**

Ladies & Gentlemen,

Welcome to the 2006 Annual General Meeting of QMASTOR Limited. Our company has enjoyed a prosperous year in which we have made significant progress in most of our business development projects and I welcome the opportunity to stand before you today to comment on them.

The company's focus for the 2006 financial year was to aggressively build upon our growing portfolio of tier one clientele whilst continuing to develop and deliver state of the art software and services. I am pleased to announce that we have achieved this objective.

Several major contracts were established with reputable clients including: Queensland Bulk Handling (QBH) an export coal port; and Comalco Aluminium, a large bauxite mining operation located in Weipa in Queensland. These new accounts signify the continuing diversification of the company's products and services into lucrative new market segments. Subsequent to the financial year end, an additional contract was secured for the provision of software and services at Xstrata Coal's Oaky Creek project.

Our company's vision is to be the leading provider of bulk material management information systems and services - on a global level. In order to maintain this position our products must be technologically innovative and superior to competitors. Since listing on the ASX in 2001, our core business strategy has been to build a strong foundation by investing in product research and development. As a result, our portfolio of products and services has grown substantially and we are now able to offer a wide range of products and services that provide unique solutions to a diverse range of industries.

In recognition of our innovative technology solutions we were awarded an AusIndustry commercial ready government grant for our three dimensional stockpile modelling system (SMS3D.net). The grant is valued at \$404,862 and will be used to further develop and market the system. This funding further demonstrates the company's potential to deliver solutions to the global bulk commodity industries.

The 2006 financial year delivered a record revenue increase to \$1.95 million based on new sales generation combined with increased expenditure from our existing client base. The company posted a small after tax loss of \$85,124 which can largely be attributed to an increase in depreciation and amortisation expenses due to a reassessment of the remaining useful life of software intangibles. It is pleasing to report that net operating expenses reduced 0.4% and net operating cash flows increased to \$353,959. Cash balances are continuing to increase with a current balance of over \$1.3 million.

Like all growing businesses, positive cash flows, low debt levels and a healthy cash reserve are vital to our strategic growth strategy. Both the Board and senior management are currently reviewing a number of expansion opportunities, including mergers & acquisitions both domestically and internationally. It is very important that the company has the ability to gain access to as many global distribution channels as possible, in order to accelerate the demand and supply of our products.

The outlook for 2007 and beyond is especially encouraging. Most of our existing clients have signed long term contracts which will ensure steady revenue streams into the future. Further, we currently have a strong sales pipeline which is expected to generate a number of new contracts in the next half of the financial year. The continuing mining boom represents the ideal environment for our company to flourish, and to realise significant wealth.

Above all else, our primary objective is to consistently deliver attractive returns to our shareholders. We shall continue to achieve this objective by investing in people, systems and marketing. We will continue to maintain the highest standards of corporate governance, together with sound business and investment procedures.

In conclusion, I would like to thank our shareholders and business partners for their continued support and faith in QMASTOR Limited. My fellow directors and I look forward to reporting even more positive news next year.

Alfred Wong

Chairman