

## QUICKSTEP ANNOUNCES CAPITAL RAISING TO UNDERPIN FINAL PHASE OF AEROSPACE PROCESS QUALIFICATION

- **Announcement of \$6.0 million share placement and Share Purchase Plan.**
- **Placement funds to be used to finance key development projects that will assist in achieving aerospace qualification for the Quickstep Process and for working capital.**
- **SPP funds to be used to augment qualification activities in addition to advancing Quickstep's manufacturing facilities in Western Australia.**

International advanced composites group Quickstep Holdings Limited (ASX: QHL) is set to commence undertaking the final stages of preparation to secure aerospace process qualification and parts certification for the Company's patented composites manufacturing process. This comes after the announcement of a \$6.0 million share placement and plans to undertake a Share Purchase Plan (**SPP**).

Capital raised through the SPP and share placement will be partially used to fund process qualification and part certification work relating to the Cooperation & Development Agreement between Quickstep and Eurocopter, the world's largest helicopter supplier; as well as initial manufacturing trials for Airbus Deutschland GmbH - Site Laupheim, Sikorsky and GE Aviation. The balance of the proceeds will be used for working capital and to assist in preparing Quickstep's headquarters in Fremantle, Western Australia, for aerospace parts manufacturing.

### **\$6.0M Share Placement**

The share placement, comprising 10,000,000 fully paid ordinary shares at an issue price of 60 cents has been completed with international and domestic wholesale clients of State One Stockbroking Ltd and Tolhurst Limited, who jointly acted as brokers to the placement.

The placement received strong support from existing institutional shareholders and will be completed in the next week. Shares issued pursuant to the placement will rank equally with Quickstep's existing ordinary shares.

Shareholder approval of the placement is not required under the ASX Listing Rules, however Quickstep will seek approval at a meeting of its members on 26 October 2007 to ratify the issue of shares under the placement. Notice of this meeting will be sent to shareholders soon.

### **Share Purchase Plan**

The Share Purchase Plan (**SPP**) has been established to enable eligible shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$5,000 worth of fully paid ordinary shares in Quickstep in any 12-month period, at an attractive price, free of all brokerage and commission.

The first offer under the SPP will be made shortly and will enable eligible Australian and New Zealand shareholders to purchase up to \$4,980 worth of Quickstep ordinary shares at a price equivalent to the placement price of 60 cents per share (ranking equally with existing fully paid ordinary shares).

The offer price represents a 15.7% discount to the average closing price of the Company's shares over the 5 trading days prior to 12 September 2007 (the date the Company went into trading halt to conduct the share placement).

The SPP will be open to all eligible shareholders who are registered holders as at 5.00pm Perth time on 3 October 2007. The Company expects that the SPP will close on 25 October 2007, and that SPP shares will be issued by 1 November 2007. The SPP offer is non-renounceable, and no prospectus will be issued in respect of the SPP offer. Documents relating to the SPP will be sent to shareholders shortly after the record date.

Eligible shareholders who choose to participate in the SPP will be able to choose one of three levels of participation, as shown in the table below:

| <b>Number of Shares applied for under SPP</b> | <b>Investment Amount</b> |
|---|--------------------------|
| 8,300   | \$4,980                  |
| 5,000   | \$3,000                  |
| 3,000   | \$1,800                  |

Option holders who do not own shares in the Company will not be eligible to participate in the SPP offer unless they become shareholders prior to the record date. As required by the option terms, the record date for the purposes of determining entitlements is at least ten (10) business days after the announcement of the SPP offer. The attached letter to option holders will be dispatched today.

At a price of 60 cents per share, which is a 15.7% discount to the average closing price of the Company's shares over the 5 trading days prior to 12 September 2007, the Board believes that all shareholders should be provided with the opportunity to participate up to the maximum level of \$4,980 each.

Quickstep's Managing Director, Mr Nick Noble, said he was delighted with the strong investor response to the share placement, which reflected a growing recognition of the Quickstep Process as a viable commercial alternative to autoclave manufacturing.

"I am delighted to welcome new shareholders to our share register and would like to thank existing shareholders who supported the raising. It also gives me pleasure to provide all shareholders, via the SPP, with the opportunity to purchase up to \$4,980 worth of additional Quickstep shares at an attractive discount to market," he said. "Quickstep is now entering an exciting phase in the commercialisation of our unique, fluid-based composites manufacturing solution, with a number of important projects currently underway to qualify the Quickstep Process for aerospace use."

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### **Background on Quickstep Holdings Limited - [www.quickstep.com.au](http://www.quickstep.com.au)**

Western Australian-based **Quickstep Holdings Limited** (ASX Code: **QHL**) is an advanced materials company which owns a scalable platform for the energy efficient manufacture of performance efficient composite materials.

Listed on the Australian Stock Exchange in 2005 following a successful IPO, Quickstep initially raised A\$6 million to underpin the worldwide commercialisation of its innovative and proven technology with application in the multi-billion dollar aerospace, automotive, mass transit and renewable energy sectors.

Composites combine high strength with light weight and are key materials in aerospace, automotive, marine, defence, public transport and industrial applications. The global composites parts market is growing strongly, reflecting a shift towards the greater use of composites as an increasingly desirable replacement for metals in many applications because of their high strength and reduced weight.

Quickstep's proprietary process is based around a fluid-based curing technology that significantly reduces the cost and time involved in the production of composites compared with conventional processes. Quickstep has been at the leading edge of the growing need to reduce part costs since the 1990s, with a significant investment in the development of the Quickstep Process over the past decade.

Quickstep already has automated Quickstep pilot production facilities operating at five separate locations with, aside from two machines at its own plant in Fremantle, West Australia; one in Japan; a third at the Victorian Centre for Advanced Materials Manufacturing (VCAMM) in Geelong; a fourth at the Northern Aerospace Technology Exploitation Centre (NATEC) in Manchester, England in conjunction with the University of Manchester; and a fifth recently established in the US at Dayton, Ohio, the birthplace of the aviation industry. A sixth machine has now been

commissioned in Germany at the European Aeronautic Defence & Space Company (EADS) group facilities in Munich to support a Cooperation & Development Agreement with Eurocopter, the world's largest helicopter manufacturer, signed in May 2007.

Global alliances are also in place with major international advanced materials suppliers such as Toray Composites (in the USA and Japan) and German-based industrial chemicals and performance materials giant Degussa AG, alongside R&D and Applications Development Agreements with groups such as VCAMM and the Australian National University (ANU).

Quickstep's business model is self-manufacture, joint venture manufacturing arrangements and co-branding and co-marketing agreements with leading composites manufacturers, Original Equipment Manufacturers (OEM's), Tier One suppliers and alliance partners utilising the Quickstep Process.

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