

QUICKSTEP RAISES \$5M THROUGH STRONGLY-SUPPORTED SHARE PURCHASE PLAN

- **Completion of \$5 million Share Purchase Plan (SPP) with strong support from the Company's shareholders.**
- **SPP follows a \$6.0 million share placement completed in September, bringing the total capital raised to \$11 million.**
- **SPP funds to be used to augment qualification activities in addition to advancing Quickstep's manufacturing facilities in Western Australia.**
- **Placement funds to be used to finance key projects that will assist in achieving aerospace qualification for the Quickstep Process and for working capital.**

International advanced composites group Quickstep Holdings Limited (ASX: QHL) is pleased to advise that the recently announced Share Purchase Plan ("SPP"), which closed on 25 October 2007, has now been finalised following an exceptionally strong response from the Company's existing shareholders, successfully raising \$5 million.

The SPP follows the completion of a share placement announced on 14 September 2007, comprising the placement of 10,000,000 fully paid ordinary shares at an issue price of 60 cents per share to international and domestic wholesale clients of State One Stockbroking Ltd and Tolhurst Limited. The placement and SPP amount to a total capital raising for Quickstep of \$11 million.

Quickstep's Chairman, Mr Mark Jenkins, said he was very pleased by the exceptionally strong support for the SPP from existing and new shareholders, with the attractive pricing of the issue encouraging investors to participate by buying on-market ahead of the record date in order to qualify for the SPP.

"The combination of the share placement and the SPP has significantly expanded our share register and greatly enhanced the liquidity of the stock," Mr Jenkins said. "Quickstep's shareholder base has increased from 1,850 shareholders before the issue to over 2,700 shareholders as at the closing date, with 42% of shareholders supporting the issue. We are very pleased to welcome these new investors on board and would also like to thank all existing shareholders who took part in the SPP," he added.

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 other parties. 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.

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Released by:
Nicholas Read/ Kate Bell
Read Corporate
Telephone: (+61-8) 9388 1474

On behalf of:
Mr Nick Noble
Managing Director
Quickstep Holdings Ltd
Telephone: (+61-8) 9432 3200

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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