

QUICKSTEP RESIN DEVELOPMENT PROJECT AWARDED AUD\$1 MILLION RESEARCH GRANT

- **University of Manchester awarded ~A\$1 million research grant to develop specialised composite resins optimised for manufacturing using the Quickstep Process.**
- **Research will also analyse how the Quickstep Process leads to perceived improvements in the characteristics of composite materials.**

International advanced composites group Quickstep Holdings Limited (**ASX: QHL – “Quickstep”**) is set to benefit from a major new research project, today announcing that the University of Manchester has been awarded a £421,000 (A\$993,000) research grant from the Engineering & Physical Sciences Research Council (EPSRC), to develop new composite resins that are optimised for manufacture using the Quickstep Process.

Quickstep announced today (**Thursday**), that a team of international composites experts will come together to conduct the research programme, which is designed to provide a more detailed scientific understanding of the processes that occur during rapid processing of polymer composites so that an optimised resin chemistry can be developed.

The research team involved in the resin development programme has elected to specifically focus on the Quickstep Process, recognising Quickstep as the forerunner in fluid-controlled heat transfer (FHT) processing technology - an area which is currently attracting significant industrial interest as a practical alternative to slower autoclave processing.

The grant represents a further key endorsement of Quickstep’s position as a leader in advanced out-of-autoclave manufacturing, coming hard on the heels of the announcement on 22 November that Macquarie Funds Management – one of Australia’s largest investment institutions – will acquire a 6% stake in Quickstep, citing strong support for the Company’s long term business model.

Quickstep Managing Director, Mr Nick Noble, said the development of specialised composite resins would represent a quantum leap forward for the Company.

“At the moment, the resins used for FHT processing are designed for more traditional curing cycles such as autoclave,” Mr Noble said. “Therefore, little is known about the kinetics of the FHT curing process and how resins may be developed to further optimise FHT curing cycles.”

“This research programme will provide a better understanding of how the Quickstep Process affects resin chemistry, and will therefore facilitate the development of specialised resins that enhance the mechanical performance of Quickstep-manufactured composite components,” he continued.

The EPSRC is the UK Government's leading funding agency for research and training in engineering and the physical sciences. The research team will include Dr Richard Day, founder and Director of the Northwest Composites Centre (NWCC) in Manchester; Dr Arthur Wilkinson from the NWCC, a recognised expert in polymer processing; Dr Bronwyn Fox, a senior lecturer at the Centre for Material & Fibre Innovation at Deakin University in Australia and a member of Quickstep’s Technology Advisory Board; and Dr Kim Alderson, an expert in the field of auxetic materials.

Dr Richard Day, who will head the research programme, said the NWCC had received considerable interest from industry regarding the benefits of FHT processing as an alternative to slower autoclave routes.

“FHT processing provides a more rapid and efficient cure of polymer composites.” Dr Day said.

“This has attracted a great deal of interest in the UK, with almost 50 companies having now visited the NWCC to conduct process development and testing. An improved understanding must be gained of the basic mechanisms behind the property changes and of how the service-life properties of the composite components are affected by the high and/or intermittent curing rates utilised in the process.

“The objective of this research programme is to improve our understanding of the links between resin chemistry and the mechanical performance and durability of the cured composite, with an end aim of

developing at least one system that is fully optimised for manufacturing using the Quickstep Process,” he commented.

The research programme is expected to commence in March 2008.

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Background on Quickstep Holdings Limited - 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 early 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 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 North West Composites Centre (NWCC) 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 is currently being commissioned in Germany at the European Aeronautic Defence & Space Company (EADS) group facilities in Ottobrun 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.

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.

In November 2007, Macquarie Funds Management, one of Australia's largest investment institutions, announced its intention to acquire a 6% stake in Quickstep, citing strong support for the Company's long term business model.

Background on Northwest Composite Centre – www.futurecomposites.org.uk

Established in February 2006, the Northwest Composites Centre received a £2.1 million grant from the Northwest Science Fund, administered by the Northwest Regional Development Agency (NWDA). The Northwest Composites Centre was formed by collaboration between the UK's Bolton, Lancaster, Liverpool and Manchester Universities.

The Northwest Composites Centre's mission is to:

- Undertake applied research leading to the development of new, cost effective, low energy, low cycle time composite processing routes for making real components and demonstrators
- Establish the effect of these production routes on composite structure and performance and thereby optimise their fitness for purpose
- Act as a regional centre of expertise supporting, evaluating and introducing innovation in composite manufacture and design

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