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QUICKSTEP COMMERCIALISATION ADVANCES WITH NEW EUROPEAN SHOWCASE CENTRE

Australian advanced materials group Quickstep Holdings Ltd (ASX: QHL, "Quickstep") is pleased to announce it has signed a key partnership agreement with the University of Manchester ("UOM"), UK for the showcasing of the Company's technology to European customers.

The agreement allows for the creation of the first of several planned strategic international 'Open Sites' to demonstrate Quickstep's technology. Sites are also planned for North America and other strategic international locations.

The establishment of the European Quickstep Centre of Excellence ("EQCE" or "Centre") is consistent with Quickstep's strategic plan to commercialise its unique composite manufacturing technology through in-market demonstrations and prototype manufacture.

Quickstep's competitive advantage is its ability to reduce the processing time of enhanced quality composite materials, favorably disposing it to target customers within the aerospace, automotive and industrial manufacturing sectors.

The UK centre will be housed at the new Northwest Composites Centre (NWCC) at UOM and, importantly, will permit interested potential customers to evaluate the process in a low cost, low risk scenario near their existing facilities before committing to full production equipment and licensing contracts.

The agreement with UOM consists of cash and in-kind contributions by UOM and Quickstep totalling £1.5M (\$A3.5M, \$US2.6M) during the initial 3 year period. Quickstep's cash contributions over the 3 years will total £250,000 covering the supply of commercial and technical staff, as well as process equipment. UOM will provide floor space, technician and overhead support as well as access to the University's extensive laboratories for testing and analysis of composite materials and structures. Further administrative and marketing support will be provided by the Northern Aerospace Technology Exploitation Centre (NATEC), also based in Manchester.

Quickstep Managing Director Nick Noble said the new centre represented another important milestone in the commercialisation of the Quickstep process.

Mr Noble also said that the location in Europe meant that some the world's biggest aero and auto manufacturing companies, who have expressed very strong interest in Quickstep, are now in close proximity.

"In the past two years, both Boeing and Airbus have announced new aircraft with significantly higher carbon fibre content," said Mr Noble. "This creates a sizable opportunity for the introduction of a low cost, low investment process for manufacturing composite components. In addition, the European

market leads the industry in the use of carbon fibre in sports cars. Quickstep allows them to reach higher volumes than the current autoclave processes. The establishment of this centre, staffed with a Quickstep-employed manager, provides European customers a convenient facility to 'try before they buy'. The capability the Centre brings is critical to large manufacturers, particularly in the aerospace industry, as it breaks down the significant barriers to the lengthy trialling evaluations necessary to obtain full manufacturing approval."

Quickstep has appointed Tom Cairnduff to head the operations at the Quickstep Centre. Mr. Cairnduff a 25-year veteran of the aerospace composites industry, with significant experience in the aerospace industry including at Bombardier Shorts (Northern Ireland) and CTRM (Malaysia). A graduate of Ulster University, he also has an extensive background and certifications in non-destructive testing of composites and six-sigma operations.

A fully automated Quickstep pilot plant has been operating at the University of Manchester since early 2005, performing material evaluation and sample aerospace panel fabrication studies under an agreement between Quickstep, NATEC and BAE Systems Aerostructures. The existing QS5 machine has now been formally transferred into the European Quickstep Centre of Excellence.

Northwest Composites Centre Director Dr Richard Day said he was delighted to host the Quickstep Centre at Manchester.

"The Quickstep process fits our mission to demonstrate and bring to fruition cost effective, low energy, low cycle time composite manufacturing processes," said Dr Day.

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For more information contact:

European Quickstep Centre of Excellence
Tom Cairnduff
Centre Manager
tcairnduff@quickstep.com.au
T: +44 (0)161 275 8160
M: +44 (0)781 450 9948

Quickstep Technologies Pty Ltd
CEO
Nick Noble
T: +61 (0)8 9456 2656
M: +61 (0)412 447 117

University of Manchester
Media Relations Officer
Simon Hunter
simon.hunter@manchester.ac.uk
T: +44 (0)161 275 8256

Web: www.quickstep.com.au

Web: www.manchester.ac.uk

About Quickstep Holdings Limited:

Quickstep Holdings (ASX: QHL) is a newly ASX-listed company, established to fully commercialise a proven new composites manufacturing technology. Conceived and designed by two West Australian commercial inventors, the revolutionary new fluid-based technology allows an enhanced quality composite component to be produced faster and cheaper than using contemporary composite manufacturing techniques. With strong patents in place to protect this revolutionary new technology, Quickstep already has significant interest as well as a revenue stream from equipment and licence sales entered into by a major automotive manufacturer and a major aerospace manufacturer. The Company intends to develop multiple income streams by licensing its technology to major aerospace, automotive and marine manufacturers, enter into joint venture arrangements with strategic alliance partners and commence contract manufacturing operations.

About Composites:

Composites are made by the combination of two or more materials such as fibres and resins, which when combined have properties superior to the constituent materials alone. The most common composites components produced are made from carbon fibre, glass fibre or Kevlar. Due to numerous performance and environmental advantages, the composites market is growing rapidly as they replace metals in many new and existing applications. Composites are now key materials in the multi-billion dollar aerospace, automotive, marine, defence, public transport and industrial markets. As composite quality improves and becomes more price competitive the applications are growing. Quickstep, with its revolutionary new technology, expects to be a key player in this development.

About Northwest Composite Centre

The Northwest Composite Centre draws together experts from and facilities from the Universities of Bolton, Lancaster, Liverpool and Manchester. Focus areas in addition to Quickstep include textile structures, microwave processing, robotic tow placement, C-Scan and X-Ray imaging. The centre has a wide variety of testing equipment for the characterisation and performance modelling of composite structures.

About NATEC

Established in February 2002, NATEC's key aims include contributing to the competitiveness of the UK aerospace industry by providing world-class expertise, providing a hub to co-ordinate and manage projects and forming an 'exploitation' network working with academia, industry, regions and associations.