

25th November 2010

LaserBond Ltd Annual General Meeting 2010

Please find attached the address to be presented at today's Annual General Meeting by our Executive Director – Mr Wayne Hooper.

In summary the address focuses on:

- a) Ingleburn, NSW division
 - Growth from new services and technologies
 - Expansion into larger premises
- b) Gladstone, Qld
 - LaserBond® cladding system launched with overwhelming interest
 - Thermal spray facility installation
- c) Expected Financial Results
 - December 2010 expected increase of 200% in profits before tax over the corresponding period last year.

MTWist

Matthew Twist
Company Secretary

25 November 2010

**2010 Annual General Meeting
Executive Director's Address and Financial Update**

Good morning ladies and gentlemen. Welcome and thank you for attending this year's Annual General Meeting.

I would like to take the opportunity to provide a summary of recent developments as well as the outlook for the company.

LaserBond (NSW)

We are pleased with the growth of the NSW division, based in Ingleburn. As outlined in the Annual Report, revenue within this division was up by 64% over a 2 year period. Much of this growth is attributable to the expansion of CNC machining capacity to supplement the surface engineering capabilities. Since November 2008, we have installed 3 new CNC machines and an automated large capacity band saw to dramatically increase our capacity, and these machines have been utilised almost continuously on a 2 shift basis. This has provided our major OEM customers in mining and related industries with a "one stop shop" for the efficient manufacture and surface coating of components used in their machinery, and has allowed us to significantly broaden the customer base and applications for our technology. Growth has continued strongly into this financial year.

The demand for the company's unique portfolio of surface engineering technologies also continues to grow in its own right, and this growth will continue.

The growth of the business has meant that the NSW division needs larger premises in the near future. We are actively seeking alternative leased premises to secure the ability to continue the growth for years to come. The relocation of equipment and facilities whilst maintaining capacity requires careful planning, and is expected to be completed during 2011.

LaserBond (Qld)

2010 represented a particularly challenging year for the Queensland division, predominantly as a result of the GFC and its effect on business generally in the region. However, the future is bright, both for the general economy in Central Queensland and for LaserBond.

Last week the division held two “Open Days” to launch the recently commissioned LaserBond® cladding system. This is a new technology for the Central Queensland region that will allow major industries there to significantly reduce maintenance costs. The Open Days were a tremendous success, with over 80 key personnel from existing and potential customers taking the time to visit and learn more about how LaserBond can assist them. The interest and feedback from these visitors was overwhelmingly positive, and the success of the launch bodes well for the rapid adoption of the technology in the region.

The company is also organising the installation of High Pressure HVOF and other thermal spraying systems, which will occur early next year. The ventilated acoustic room required for HP HVOF is under construction.

LaserBond expanded into Gladstone because it is an industrial city that services the Central Queensland region. The region is awash with industries that will utilise Laserbond’s specialised services;

- It has one of the world’s largest capacity alumina refineries (QAL – capacity 3.95m tonnes p.a.) and a newer facility that is being progressively expanded towards a capacity of 4m tonnes (Rio Tinto Aluminium Yarwun).
- Gladstone Power Station, operated by NRG, is Queensland’s largest (1680MW).
- Boyne Smelters Limited operates Australia’s largest aluminium smelter.
- Cement Australia Gladstone operates the largest cement kiln in Australia and utilises state of the art technology.
- Gladstone Port is a world class facility and is being expanded significantly.
- QR National has a strong presence, with supporting engineering contractors such as Downer EDI Rail.

The list goes on. Further, \$20 billion is planned to be spent on the LNG industry over the next few years, and Gladstone is well positioned as a service centre for the Surat and Bowen basins, the mining heart of Queensland.

There are applications for LaserBond’s technologies in all of these industries, and despite the recent challenges, the Board is confident the future for LaserBond Ltd in Gladstone is bright.

Expected Financial Results

Laserbond Limited is budgeting for a positive financial year. The group's half yearly financial reports for the period July to December 2010 are due early in 2011. In summary the Board expects an increase of 200% in the consolidated profits before income tax expense over the corresponding period in the previous financial year.

By division our year to date results for the NSW Division are exceeding expectations, whilst the Queensland division is still competing with a slowly improving market. The Queensland division continues to submit significant tenders for work expected to commence in 2011.

The company's management continues to see opportunities for both divisions in the short to medium term and with a strong focus on cash management and margin preservation, continued growth is expected.

Based on our experience in previous years and the new capacity in Gladstone, the Board expects the results for the second half of this financial year to continue to trend upwards.

The Longer Term

In the post greenhouse world, the prospects for the company are excellent. Whilst energy represents some significant costs to the Company, under the Federal Government's Retooling for Climate Change program, assistance has been given to replace the older high energy consuming laser equipment with much more efficient solid state laser technology. This project will be completed early in 2011.

What is more, increasing energy costs present significant opportunities for the company. The steel industry estimates that around 30GJ of energy is required to produce one tonne of steel. Through utilisation of its surfacing technologies, LaserBond can dramatically extend the useful life of wearing industrial components, so a one tonne component may typically be reclaimed and placed back into service with only 1GJ of energy consumed.

Conclusion

In summary, LaserBond's financial future is secure and strong. The growth of LaserBond Ltd will continue, and we look forward to delivering for the benefit of all shareholders.