

10 April 2013

## **Expansion to South Australia**

LaserBond Ltd has signed a Memorandum of Understanding (MoU) with Gearhart United, with facilities located in South Australia. Gearhart is a wholly owned subsidiary of SGS, which is the world's leading inspection, verification, testing and certification company. SGS has more than 75,000 employees operating from a network of more than 1,500 offices and laboratories around the world. The Gearhart division of SGS specialises in both manufacturing and repairs of oil and gas field drilling tools and components, including the manufacture of the world-renowned Redback range of roller reamers.

The MoU has been entered after extensive trials over the last 12 months. Under the MoU, Gearhart confirms its commitment to engage LaserBond exclusively for laser cladding of its components, including all Redback roller reamer bodies. LaserBond has committed to establish a branch operation in South Australia within eight weeks.

LaserBond is currently finalising a lease for premises and will be operational in South Australia by the end of May 2013. It is expected the first twelve months revenue to reach up to \$1.2 million. This will provide a profitable base for continued growth in South Australia, with particular industry targets being defence, mining and minerals processing equipment.

LaserBond has historically focused heavily in the resources and related industry sectors. However the company can provide services and solutions to any business that has wearing components. This expansion into South Australia is one of the first steps in broadening the opportunities for growth for the LaserBond group into a larger range of industry sectors.

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Matthew Twist  
Company Secretary