

31 October 2013

Manager of Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

By E-Lodgement

Chairman's Address at the Annual General Meeting (AGM)

Dear Shareholders,

I stood here at last year's AGM, as the newly appointed Chairman of Stratatel Limited, just some 3 or so months into the role.

We announced an earnings result of less than \$100,000 EBITDA for the 2012 FY, along with write downs of \$2.0m.

At the time, I assured all shareholders that the Board was committed to the current business operations delivering their projected financial contributions in FY 2013 and hence provide the platform on which to build further value.

Further, I informed everyone of a management restructure and a comprehensive review of the Company's operations were being undertaken.

Some 12 months later, I am pleased to stand here following what I consider a pleasing result for FY 2013 of circa \$1.0m EBITDA, on top of disposing of an underperforming asset in Softlog Pty Ltd.

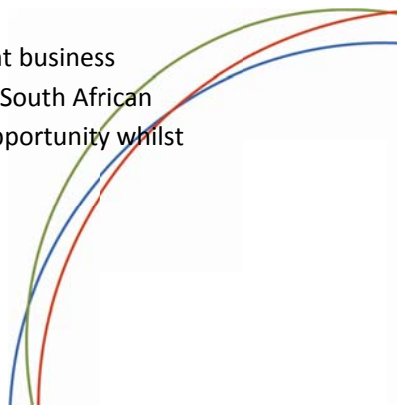
This is pleasing for two reasons, firstly a return to expected profit levels after a less than acceptable result the previous year and just as important, it is in line with budgeted expectations i.e. no surprises, what I call a good indication of stability.

Looking at the consolidated results in more detail, FY13 compared to FY12 shows revenue and margin similarity but expenses reduction of circa \$1m, with a corresponding improvement in EBITDA.

It should be noted that a full year contribution from the Softlog business was factored in for FY13 but ultimately disposed of 6 months into the period.

From a balance sheet perspective, the sale of Softlog and other write downs, \$3.1m in FY13 and \$2.0m in the prior FY12, impacted on the intangible assets and equity whilst the company's cash position has increased over the 12 months by just over \$1m to circa \$3.6m.

The company's main activities for the FY13 were in the Telephone Expense Management business (TEMS), made up of contributions from Fleet Manager® in Australia and Insight Plus, its South African equivalent. Management remain optimistic of continuing to realise the South African opportunity whilst noting the contract runs out in August 2014.



Services & Consulting, the original Western Australian IBM reseller business has seen a revenue and contribution decrease in an increasingly competitive environment over the past 12 months.

This is anticipated to be a continuing trend and as such non-IBM replacement revenue streams in the cloud computing market space are being actively pursued.

I personally believe that the underlying 2013 FY financial result, re-engineered business and centralised management team provides a strong foundation on which to launch a rejuvenated Company.

And with a solid financial position of no debt, some \$3.6m+ cash in bank and a clean balance sheet, we are in an excellent state to do so.

So now what to the future?

The board has deliberated on this topic for quite some time and in a lot of detail. To remain an ASX listed Company our future needs to be clearly articulated to all and then executed upon. A clear vision and a plan are required.

The platform on which the Company's existing core Fleet Manager® product operates on is referred to as Software As A Service ("SAAS"), today more commonly known as being "In the Cloud". Acknowledged global IT researcher Gartner predicts global revenues in cloud computing will multiply 10 times the size of the current levels of \$15b annually over the next 5 years – to \$150b.

It appeared logical to directors that Stratatel's future vision and growth aspirations to be built on top of Fleet Manager® and incorporate a suitable acquisition from the rapidly increasing cloud computing business software market.

The proposed acquisition of JCurve and change of name from Stratatel to JCurve Solutions is the outcome of the Board's review. A link to a short video on JCurve's product offering is provided.

<http://www.youtube.com/watch?v=Jk93NryrfM4>

To summarise the main points of the JCurve acquisition;

- It is complementary to Stratatel's existing Fleet Manager® product
- Operations are in the fastest growth sector of IT, cloud computing
- It is in the mainstream "must have" rather than the "like to have" market sector
- Its products are "Powered" by Netsuite USA, the worlds recognised leader in the provision of ERP business software "in the cloud"

Since inception, JCurve has established an initial market footprint of circa 500 customers and is ready to launch its JCurve GO accounting only product, with on-line, self install wizard functionality in November 2013.

It is anticipated that this product will be very competitive compared to current market offerings, simple to install and with a distinct competitive advantage of users being able to "turn on" additional business functionality when they feel comfortable to do so.

Alternatively, JCurve GO is an efficient and cost effective alternative for small business to move into a fully integrated ERP requirement gradually rather than all at once.

Whilst it is hoped that the integration of Fleet Manager® and JCurve businesses will trade profitably in FY 2014 and beyond, it is the intention for the Company to also pursue the new and substantial opportunities this integration provides, rather than focus on the short term profitability specifically.

The directors believe this will ensure the best chance to deliver the desired financial performance and resultant share price enhancement to the Company's Shareholders.

In closing, I wish to thank a few people.

Firstly, to Mike Fairclough & Ian Macliver, inaugural directors of STE, who are stepping down from the Board following continuous service since inception back in 2002. Mike is the company's founder and the visionary of Fleet Manager® whilst Ian is a long serving Chairman of the Company.

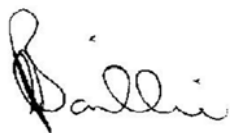
Secondly, a welcome full of anticipation to the new Board, to the future appointment of new Chairman Nihal Gupta who I know will actively contribute where ever possible to realise the opportunities we wish to pursue. And to John Bond, an existing director, and shareholder, whose guidance through this complex acquisition process I respect greatly and who I know will continue to serve the Board, and Company well.

Finally, to the staff and management of both Stratatel and JCurve, who have continued to work diligently and assist when required during the lengthy and comprehensive process of the acquisition of JCurve.

I welcome and introduce to you, the senior management team of the Company, James Butchers, CFO, John Slaiman, Sales & Marketing Manager, Allison Hall, Customer Operations Manager and Tim Griffiths, CTO.

I look forward to working closely with you all in the future in my capacity as Managing Director and invite you to join me to respond to any questions that Shareholders attending today may have.

Thank you,

A handwritten signature in black ink, appearing to read 'Baillie', with a stylized initial 'G'.

Graham Baillie
(Non-Executive Chairman)