



Quay Magnesium Limited
Level 1, 3 Spring Street
GPO Box 5438
Sydney NSW 2001 Australia

T/ 电话 +61 2 8274 0900
F/ 传真 +61 2 8274 0999
E/ 电邮 mail@quaymagnesium.com
ABN 75 104 179 099

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QUAY MAGNESIUM LIMITED FORMS EUROPEAN SALES COMPANY

Quay Magnesium Limited (Quay) has formed a European sales and marketing company, Quay Magnesium GmbH.

The largest global market for magnesium alloys is the European Community (EU), with the greatest concentration of users in Germany. To continue to service and grow this substantial market, Quay will have sales and technical support for our customers based in Germany to service all EU countries as well as Norway and Switzerland.

A joint venture company has been formed (Quay 51%) with Aage GmbH a company owned by Professor Dr Friedrich Klein. Professor Klein is an experienced and well known identity in the European magnesium casting industry. He currently leads the European Magnesium Research Organisation, EFM. Quay is pleased to partner with Professor Klein to establish this new entity and continue to grow Quay's European customer base.

The registration of chemicals imported into the EU is governed by a protocol known as REACH. Under this protocol importers and users of chemicals must meet certain compliance and registration standards. In Quay Magnesium's case, this includes its magnesium alloy product. This requires Quay to have an entity in Europe and the establishment of this new company will ensure Quay continues as a reliable, registered supplier to EU customers.

For further information contact:

Mr Peter Stuntz
Chairman
Tel: 02 8274 0900

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www.quaymagnesium.com