

19 September 2012

Listed Company Relations
New Zealand Exchange Limited
PO Box 2959
Wellington

Dear Sir / Madam

HEADS OF AGREEMENT – INTEGRATED CONVEYOR SYSTEMS

The Board of Scott Technology Ltd (“Scott”) are pleased to announce that the Company has entered into an agreement to acquire the assets and intellectual property of Integrated Conveyor Systems Ltd (“ICSL”).

The agreement allows the company time to complete due diligence on the technology whilst enabling Scott to take effective control during the due diligence period. The due diligence period ends in June 2013, at which time Scott has the option to acquire ICSL. The due diligence period can be extended at Scott’s option for a further 12 months.

ICSL is based in Western Australia and has developed patented conveyor technology. ICSL design, manufacture and distribute their flexible enclosed belt conveying system to meet the global conveying demands for a wide range of industries. ICSL’s conveyor technology is a logical extension for Scott with our progress in the mining automation market where the technology is aimed at improving speed, OSH and labour costs, particularly in remote areas or over difficult terrain. Of key interest to Scott is the work that ICSL is undertaking in conjunction with a major mining company who is using and trialling the innovative conveyor for a technically advanced project.

The immediate commitment is less than A\$0.5m and is supported by tangible assets.

Yours sincerely



Stuart McLauchlan
Chairman



Chris Hopkins
Chief Executive