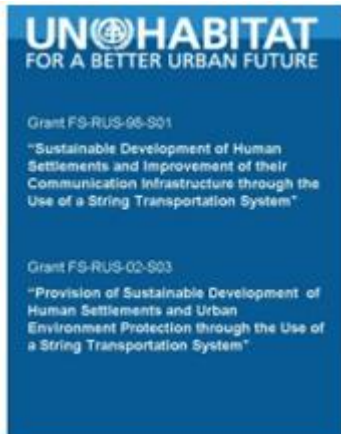


STS 
Innovation In Motion

STS PRESENTATION for an ASX Listed Miner

Sydney, September, 2010

History of String Transport



- 1977 ...concept of String Transportation envisioned.
- International Awards and Recognition
- UN Grants for sustainable transport development



AUTHOR OF STU – Dr. ANATOLY YUNITSKIY

He is author of numerous scientific papers related to the String Transportation that include: 6 monographs, 32 scientific reports and articles as well as 67 inventions. Dr. Yunitskiy is an Academician of the Russian Academy of Natural Sciences. He is the world's leading authority in optimization of transportation systems and transportation sustainability.



History of String Transport Systems Limited

18/03/2010 - String Transport Systems Ltd is incorporated in Australia

5/05/2010 - listing on Australian Small Scale Offerings Board (ASSOB)

6/05/2010 - 1st round of financing is fully subscribed

12/08/2010 - 2nd round of financing is fully subscribed

September 2010 - full disclosure prospectus to be lodged with ASIC

CAPITAL STRUCTURE

Current shares issued: 274 ,752, 717

Funding Completed



Currently on offer



Shares issue price	New capital raised
\$ 0.04	\$ 211,584
\$ 0.06	\$ 199,896
\$ 0.12	\$ 300,000
\$ 0.24	\$ 4,400,000
\$ 0.36	\$ 2,100,000

\$ 7,211,480



**ASX listing will raise funds needed to construct the demonstration line.
Preliminary talks with underwriters commenced.**

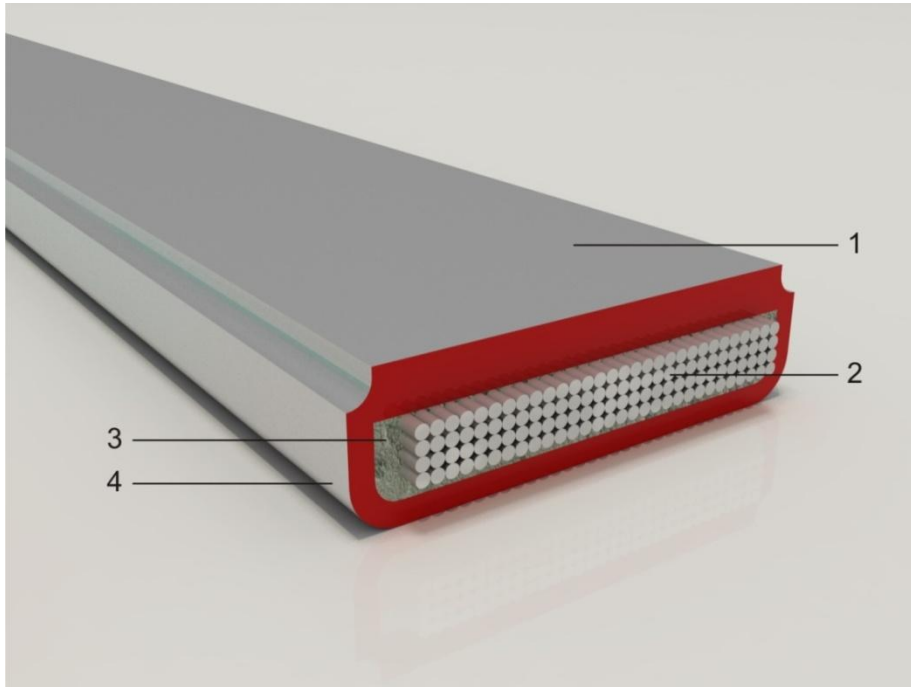
STS PROPOSAL

- We offer perspective clients haulage service with **ZERO CAPEX**
- We seek **cornerstone clients** for multiuser access network
- We also believe there is solid case for a perspective clients to take the **investment position in STS**

ADVANTAGES OF STS

- All-terrain capability
- No at grade crossings
- All weather operation
- Unrivalled ecological sustainability
- Low maintenance
- Fully automated
- Preservation of Ore's composition and quality

Suspended STS is based on String Rail Technology



String-rail of a suspended STS:

- 1 – rail head
- 2 – strings
(highly tensioned steel wires)
- 3 – filler
- 4 – body

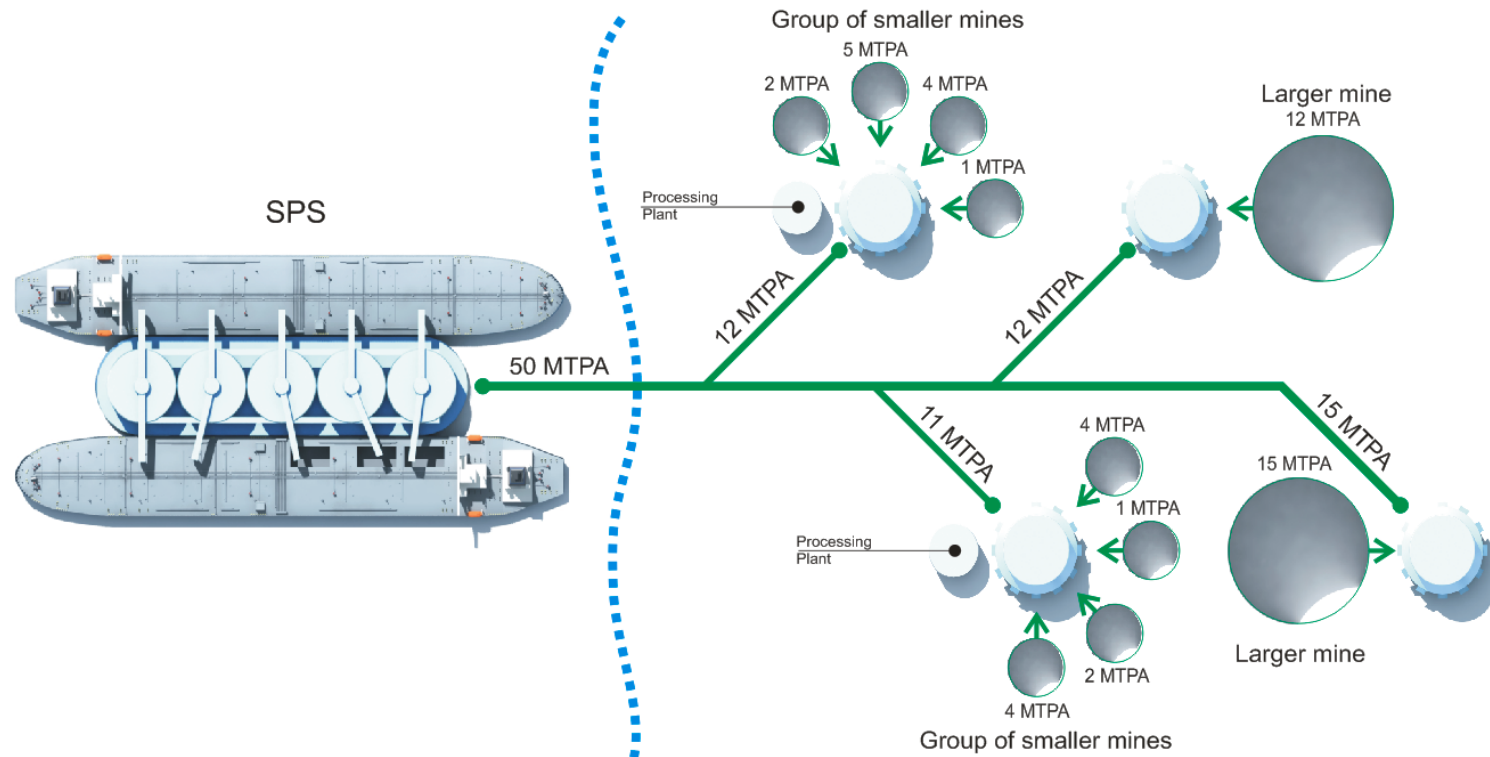
- **String rail has 20-fold safety margin**
- **STS is ideally suited for rugged terrain & harsh climates**
- **Spans from 200 m to 2 km**
- **String rail is the lightest elevated structure**

STS is Environmentally Sustainable



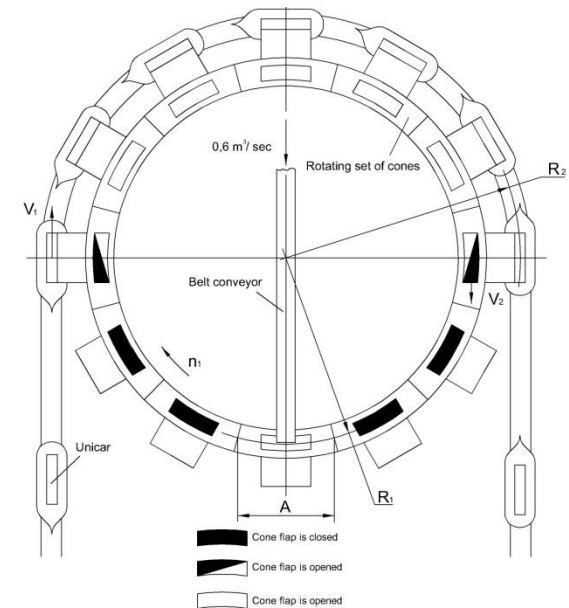
- Minimum interruption to natural wildlife
- Lowest footprint
- No interference with natural hydrology
- Negligible disturbance of surrounding ecosystems
- Reduced noise and vibration

Intelligent Logistics Control System - ILOCS



- Smooth integration into existing infrastructure
- Serving multiple mines with a single STS line
- Scalable capacity that grows in line with mine's production
- Possibility to integrate with String Ports in the future

Smooth Integration Into Existing Infrastructure

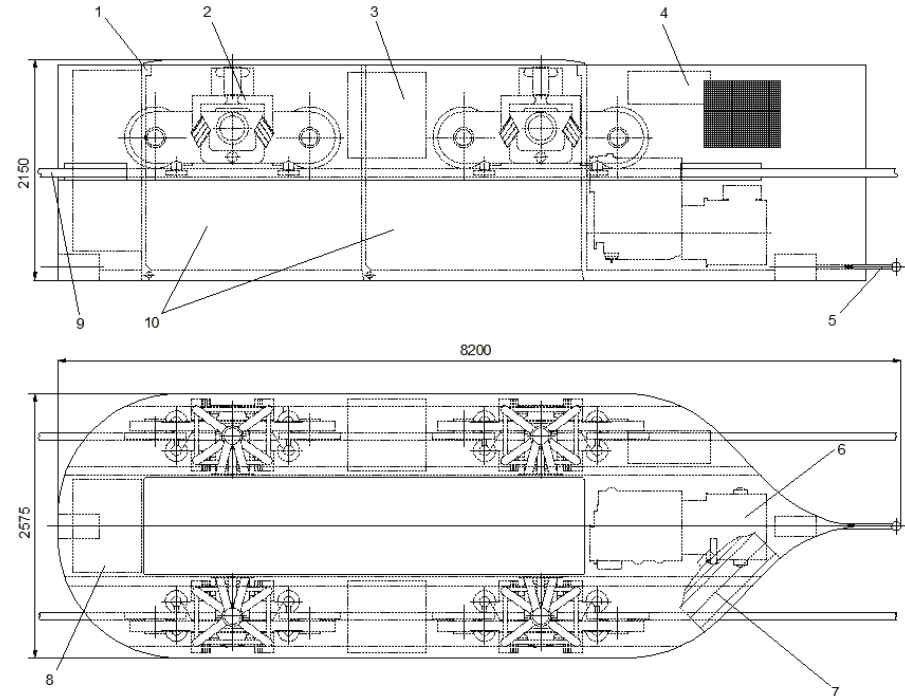


STS Loading Terminal

- Loading terminal is situated at an onsite stockpiles' location & is loaded via conventional conveyor
- Capacity of one terminal up to 50 MTPA
- Low energy consumption due to optimisation & automation of loading/unloading processes
- Unloading will be facilitated in integration with existing material handling infrastructure
- Smaller module size enables unloading to take place in transit
- Only 200kW energy consumption for capacity of 30 MTPA

STM's Technical Specifications

Specification	Specification values (description)
Load capacity, t	15
Dead weight, t	9.75
Body capacity, m ³	7.5
Overall dimensions, mm:	
- length	8200
- width	2575
- height	2150
Gauge, mm	1750
Maximum operational speed, km/h	85
Time of acceleration to the speed, minutes	3.5
Maximum climbing ability, %:	
- loaded with 15 t	8.0
- empty	13.0
Braking distance (initial speed of), m	200
Propulsion system - Diesel-electric	GEKO, VEM, Germany
Fuel consumption g /t × km	3.9
Braking system: electro dynamical & electromechanical	Mayr, Germany
Ore loading	Through upper hatches
Ore off-loading	Through bottom hatches
Turning radius, m	20
Control system	automatic

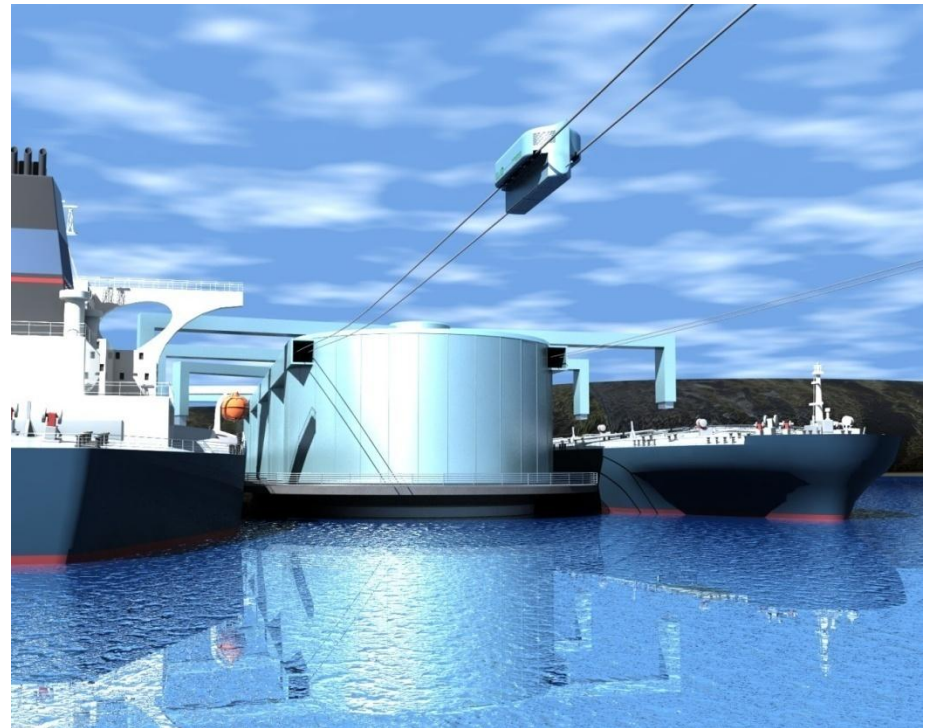


Suspended STM with load capacity of 15 tons for ore transportation:

1 – body; 2 – motor bogie; 3 – power converter; 4 – on-board control device; 5 – coupling unit; 6 – diesel-electric aggregate; 7 – cooling unit; 8 – main fuel tank; 9 – string rail; 10 – cargo hold

String Port System

- Faster loading time for ships at String Ports significantly reduces demurrage costs
- Less transport damage to ore, more lump delivered, more profits per ton
- Ship loading 10,000 tons per hour
Load time of Handimax (100,000 t) is 10 hours
Load time of Cape (240,000 t) is 24 hrs
- Wide range of operating capacities



STS + SPS

- STS “Direct to Shore” design gets to port via the shortest possible route
- STS preserves lump grades with smooth transition from the mine and 1 reloading point out to the ship
- Seamless integration with SPS for a total “Mine-to-Ship” transport solution
- STS + SPS deliver major cost savings in CAPEX & OPEX



STS Reliability & Durability

- **STS has a long 50+ years service life and low maintenance cost, due to:**
 - Low maintenance track structure
 - Optimised wheel/rail interface geometry
 - Favourable operating conditions of the rolling stock
 - Main structural element (tensioned strings) is hermetically encapsulated and protected from corrosion
 - Piles of the supports are unaffected by floods and other weather conditions

MAINTENANCE

- Automatic diagnostics of track structure, supports, infrastructure & rolling stock;
- Regular preventative inspection & repair using dedicated technological modules;
- Scheduled preventative maintenance of rolling stock;
- Whenever required, repair & maintenance of track structure & supports performed using ground-based & on-track equipment.

Engineering Procurement Construction Management

EPCM for construction of STS networks will be facilitated in cooperation with our Partners



ProMet Engineers is among the leaders in project management, project development and feasibility study work, process plant design, engineering services and metallurgical consultancy services to minerals and metals industry clients.

Economics: Comparative Analysis

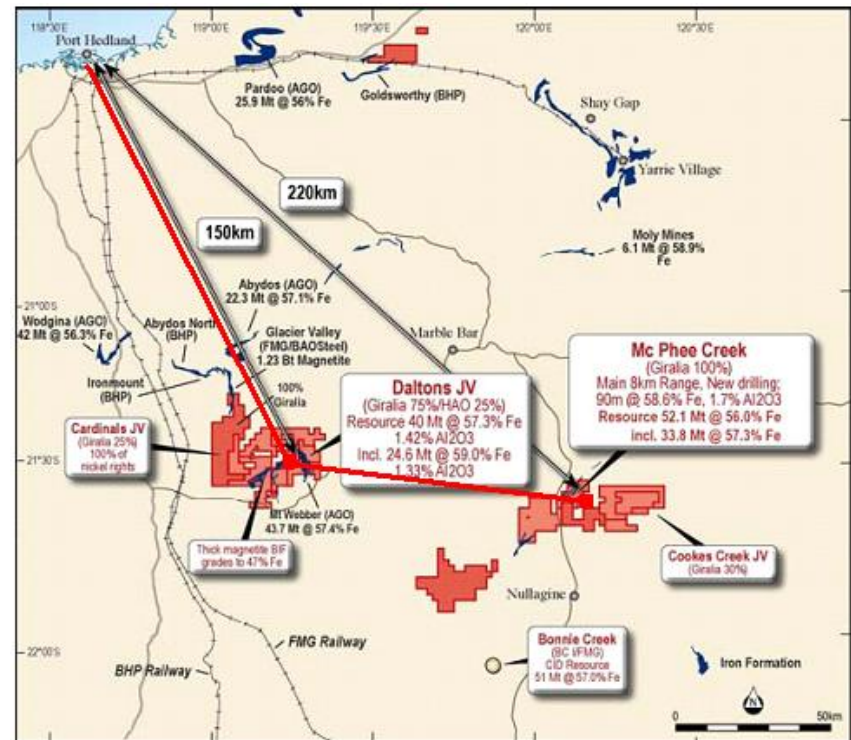
Used as an example is the following:
Project Daltons JV & Project McPhee Creek

Trucks vs

Rail vs

STS

STS is more efficient
and cost effective
than other modes of
transport



Economics: Results of Comparison

1st group of cases: Trucks vs STS (for smaller capacities up to 5 MTPA)

Option	Case	CAPEX	OPEX	NPV	IRR
1	2 MTPA truck/ship	\$ 82.0M	\$ 47.0 /t	\$ 160.7M	49.62
2	2 MTPA STS/ship	\$ 82.0M	\$ 31.6 /t	\$ 192.0M	51.52
3	2/5 MTPA STS/ship	\$ 82.0M/110.5M	\$ 28.3 /t	\$ 354.3M	54.33

2nd group of cases: Rail vs STS (capacity 20 MTPA)

Option	Case	CAPEX	OPEX	NPV	IRR
4	20 MTPA railway/ship	\$ 700.0M	\$ 35.0 /t	\$ 1,091.7M	31.57
5	20 MTPA STS/ship	\$ 460.0M	\$ 27.5 /t	\$ 1,526.1M	57.13
6	30 MTPA STS/ship	\$ 700.0M	\$ 27.2 /t	\$ 3,060.1M	69.91
7	30 MTPA STS/SPS	\$ 700.0M	\$ 23.6 /t	\$ 3,193.6M	71.99

STS's Core Offer

- The solution is simple and efficient - zero CAPEX!
- The core of our proposal is: STS will build-own-operate the bulk commodities STS networks and offer miners an “all inclusive” price per t/km.

Option	Case	CAPEX	NPV	IRR
<u>10 of own production capacity</u>				
5	20 MTPA STS /ship	\$ 460.0M	\$ 1,526.1M	57.13
8	10 MTPA STS /ship	\$ 130.0M	\$ 786,6M	81.44
<u>20 of own production capacity</u>				
6	30 MTPA STS /ship	\$ 700.0M	\$ 3,060.1M	69.91
9	20 MTPA STS /ship	\$ 250.0M	\$ 1,615.6M	88.01

STS PROPOSAL

- **Haulage service - ZERO CAPEX**
 - The direct results of STS implementation are: lower costs and higher profits.
- **Benefit to cornerstone clients**
 - Secure capacity that growth in line with production growth.
- **Taking investment position in STS enables perspective clients to:**
 - Unlock value of their deposits.
 - Diversify their business activity.
 - Gain additional revenue from haulage operations.
 - Gain exposure to lucrative worldwide haulage operations.

Where to from now

1. Scoping Study
2. Haulage contract
3. Strategic partnership