



PearlStreet

ASX Announcement

20 May 2007

PEARLSTREET BOOSTS POWER SECTOR AND PIPELINE CAPABILITY WITH ACQUISITION OF AUSTRALIAN NDT

Energy and resources sector asset services contractor, PearlStreet Limited (“PearlStreet”) (**ASX: PST**) today announced it had executed an option agreement to purchase Victorian based non-destructive testing company Australian NDT on the 1st July for \$5.25 million payable in cash and shares. The settlement of the purchase is subject to acceptance of final due diligence.

As a major service provider to the energy sector, Australian NDT will deliver a significant boost to PearlStreet ETRS’s capabilities and positions the Company for further growth in Australia’s power and pipeline sectors.

The acquisition will be funded 90% through existing debt facilities, with the balance satisfied through the issue of PearlStreet shares at 78 cents per share. The shares issued will be held in Escrow for a period of 12 months.

PearlStreet Managing Director Anthony Wooles said the acquisition is part of the Company’s strategy to build capability and national service reach.

“This acquisition significantly increases our penetration into the Victorian power sector within the Latrobe Valley, and the pipeline sector nationally.” Mr. Wooles said.

“Australian NDT has a strong existing customer base, significant technical capability and a sizeable and growing market share,

“The Company is an excellent strategic fit for PearlStreet, providing us the opportunity to offer our existing and new clients expanded services.”

Australian NDT founder, 100% owner and Managing Director, Neil Joiner, will remain with the company.

“Neil Joiner’s management capability and technical expertise will directly support the continued growth of the company.” Mr Wooles said.

The Company has a number of contractual relationships within the Latrobe Valley Power Generation Sector.

Australian NDT employs approximately 50 staff with operations covering the Latrobe Valley and Western Melbourne from its Morwell and Newport headquarters.

The Company maintains an active approach to the adoption of new technology across the business which has assisted in consolidating its leading market position.

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For further information contact:

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Or visit the company website at <http://www.pearlstreet.com.au>

About PearlStreet Limited

Specialising in the energy and resources sector, PearlStreet Limited provides asset management, asset integrity and engineering services for Australia's large scale industrial infrastructure.

Long established blue chip customers include Exxon, Verve Energy, BHP Billiton, Wesfarmers Energy, CS Energy, Tarong Energy, Rio Tinto and Anglo Coal.

With 18 locations across Victoria, New South Wales, Queensland and Western Australia, PearlStreet has 210 full time employees and two main operating divisions: PearlStreet Energy Services (PES) and PearlStreet ETRS (PETRS).

PES provides asset management services for large energy utilities and power stations, while PETRS offers Asset Integrity services to clients in the petrochemical, power, mining and minerals processing industry sectors.

PearlStreet has a robust outlook for key markets with stable long term contracted revenues representing the majority of FY 2007 forecast revenue supplemented with higher margin, shorter term revenues.