PearlStreet

ASX Announcement **10 August 2007**

PEARLSTREET SIGNS SALE AND PURCHASE AGREEMENT TO ACQUIRE METLABS AND ITS BUSINESSES

Further to the ASX announcement dated 12 July 2007, Energy and resources sector asset services contractor, PearlStreet Limited ("PearlStreet") **(ASX: PST)** is pleased to announce that its wholly owned subsidiary, PearlStreet Metlabs Pty Ltd ("PearlStreet Metlabs"), has concluded a Sale and Purchase Agreement ("SPA") with Leighton Contractors Pty Ltd, a wholly owned subsidiary of Leighton Holdings Limited **(ASX: LEI)** and its associated entities to acquire the businesses and assets of Metlabs and ITS. PST guarantees the obligations of PearlStreet Metlabs under the SPA.

The SPA provides for a purchase price of $32.0m cash payable on completion, based on net tangible assets as at the effective date of 31 July 2007. The SPA also provides that PST receives the benefit of net cash flows generated by the Metlabs and ITS businesses between 31 July 2007 and completion. PST will assume the liabilities of the business arising on or after 31 July 2007, including liabilities relating to transferring employees.

As foreshadowed in its prior announcement, PST intends to fund the acquisition entirely through new debt facilities and is continuing discussions with the Bank of Western Australia regarding the terms of those facilities.

Completion under the SPA is subject to a limited number of conditions precedent, including:

- Written approval of debt funding on terms satisfactory to PST;
- Assignment or satisfactory arrangements with respect to major customer contracts;
- No material adverse change to the Metlabs or ITS businesses; and
- PST either being granted a waiver of Listing Rule 11.1 (where an entity makes a significant change either directly or indirectly to the nature or scale of its activities) by the ASX (if required) or otherwise satisfying conditions imposed by ASX in respect of Listing Rule 11.1.

The SPA provides that all conditions precedent (excluding ASX LR 11.1, if applicable) are to be satisfied prior to 1 September 2007. Completion is to occur 5 business days after the satisfaction of the last condition precedent.

PST's expectations of the financial impact of the acquisition are consistent with those outlined in the company's Open Briefing on 20 July 2007. In particular, PST expects the acquisition to be immediately EPS accretive.

PearlStreet Limited Managing Director, Mr Anthony Wooles said “The acquisition of the Metlabs and ITS businesses is a particularly significant development for PearlStreet Limited. Our Asset Integrity operations now move to a truly national footprint and our increased scale will provide us with operational capabilities and flexibility that few, if any, of our competitors can match. For an acquisition of this size, we are pleased that there will be relatively few areas of operational overlap with our existing operations.”

“As we indicated at the time of our IPO, PearlStreet will continue to look for opportunities to forge long term partnerships with our major clients. The alliance contracting model requires service providers to have the delivery capability to meet client expectations and PearlStreet has significantly strengthened its capacity to do so.”

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For further information contact:

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