

RUNGE LIMITED (RUL) Annual General Meeting

Time: 10.00 am (AEST)
Date: Thursday, 18 November 2010
Venue: Christie Conference Centre, Kamisama Room, Level 6,
320 Adelaide Street, Brisbane, Queensland

Chairman's Address

We had a disappointing result in Financial Year 2009/2010 with a profit after tax of \$2.3m compared to \$7.9m in 2008/2009. Although we can identify a number of events beyond our control that negatively impacted our business during the year, we accept the factors that we could have, and in hindsight, should have, acted upon earlier and achieved a better result.

In our discussion today, both Tony and I will concentrate on those issues that we can control.

In Australia in particular, we were slow to react to both the Global Financial Crisis and the impact that the Resource Rent Tax had on the Australian mining industry. We did not adequately protect our revenues by working closely with our customers and we were not nimble enough to take advantage of the growth that continued to occur outside of Australia.

While our business model remains effective and appropriate, we need to continue to do the basic things well, including to vigorously maintain very high standards of service and support to our customers and as a company, we need to ensure that all of our businesses throughout the world are providing the same high standards and the full range of the Company's offerings.

During the year some of the operational issues that were identified by our management team as requiring improvement included....

- Developing a more consistent approach to winning the confidence of our customers.
- Marketing our company more effectively and demonstrating to our customers the efficiencies we can bring to their businesses.
- Growing each of our worldwide offices to a critical size whereby we can provide the full range of our company's offerings.
- Within our organisation, build better communications across the international boundaries in order to remove any confusion regarding the overall direction and goals of the company.

Some of these issues are the result of the growing pains a company experiences in the transition from a private to a public company. But they are issues that can be, and need to be resolved if we are to best utilise the skills of our people and achieve maximum value from the quality of our software.

A Business Alignment Forum, made up of some 60 of our most senior executives from around the world, was held in Australia in March 2010 in order to find solutions to these and other potential internal shortcomings of our business.

This was a successful Forum with the major outcomes being the renewal of our vision for the Company's future. It also provided an environment where individuals from around the world had the opportunity to provide direct input into the way the company operates and communicates.

One important outcome of the Business Alignment Forum was the establishment of a Global Leadership Group which now meets on a regular basis. This group will play a key role in guiding the Globalisation of the company which will eventually see the company operating under a consistent management protocol and eventually under one single trading name across our global network.

I personally see the bringing together of our people through the Business Alignment Forum and the establishment of the Global Leadership Group as an important step in the future development and successful growth of the company.

I am pleased to report that in the last few months we have also added some additional strength and experience to our senior management team through the recruitment of Peter Olsen, Executive General Manager - Corporate Development and Kieran Wallis as Chief Financial Officer.

I can assure all of our shareholders that a great deal of effort has been applied, and continues to be applied by our management, directors and staff in order to ensure that this company reaches its full potential and that you, our shareholders are well rewarded for the continuing confidence you have shown in us.

In conclusion, I am pleased to say that, despite the significant strength of the Australian dollar which results in some overall negative impact on our earnings, we are seeing some early signs of improvement in our business fundamentals this year.

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Managing Director's Address

The past year delivered difficult trading conditions overall. The business environment was slow on a global basis in the first half of the year, while in the second half, the overall environment improved with the major exceptions being Australian consulting revenue and large software sales. Australian consulting which traditionally comprises 55-60% of our revenue remained flat throughout the second half of the year. We had predicted that when we had come through the GFC the mining world as we knew it would return and our staff retention policy throughout the GFC would pay off as demand returned. In fact, the workload post GFC was slow in returning and when it did return the competition for the work was fierce. This meant we were left with more staff than we needed – and this was rectified by some downsizing.

In March 2010, Runge held an internal forum at which intervention measures were developed to match Runge's offering to the post GFC mining world requirements. This involved an examination of our strategic direction and initiatives required to deliver that strategy.

Actions taken to refocus Runge included some retrenchments, natural attrition and geographical mobilisation. We also began to change the mix of skill sets of consultants and developers in line with the changed industry needs. Our strategic vision of continuing to deliver to the global market remains in place, with the opening of offices in Mongolia and Russia evidence of this.

To allow our global business to operate more effectively we established a Global Leadership Group, or GLG, whose primary tasks include constant detailed monitoring of our key global operational drivers such as software pipeline, book of work, internal processes and staff utilisations. Additionally, the GLG tasked itself to continually improve communications across our global footprint and engage more deeply with customers.

Our financial performance for the 2010 financial year was unsatisfactory.

Net profit after tax was \$2.3m compared to \$7.9m in 2009. Our EBITA, earnings before interest, tax and amortisation, decreased from \$12.7m in 2009 to \$5.8m in 2010. The revenue, EBITA and NPAT numbers for the last four years can be seen in the overhead slide.

Overall our revenue decreased 5% from \$83m in 2009 to \$79m in 2010. The reduced EBITA numbers represents a margin squeeze in our business. As previously mentioned, Runge elected to retain staff throughout the difficult operating conditions with consequential lower utilisation of consultants. Thus with our salary costs remaining reasonably static and our professional fee revenue decreased, our bottom line was significantly affected.

On a positive note, our Software sales for 'desktop' solutions grew by 12% to \$8.6m over the 2009 year, a year in which we had one large enterprise sale of \$2.5m. Additionally, our annuity income from software maintenance increased by 9.5% with 96% retention. Considering the environment, this represents a strong customer endorsement of the Runge desktop software offering. It should be noted we were unable to secure any large enterprise sales in the year.

As can be seen from the slide showing revenue of the various regions, the Asian operations grew strongly throughout the year, while all other areas essentially sustained a flat or reduced revenue stream. As indicated would be likely at last years AGM, Runge established offices in Ulaanbaatar, Mongolia and Moscow, Russia this year. Both offices have already proved beneficial with significant consulting work flowing into Mongolia and an improving penetration and support of our software into the Russian market. These offices will grow in the 2011 financial year.

Sales of the enterprise component of the Runge software offering was depressed throughout FY2010. We believe this is due to constrained spending by mining companies in this area and has been confirmed by our partners servicing this area. The enterprise component of the Mining Dynamics offering, although still endorsed by many companies as a sound concept has proven to be too big a step for companies to take in the present environment. Runge has therefore changed our delivery of Mining Dynamics to specifically address smaller parts of customer's problems, with the intent of building on successful completion of the smaller components. At the same time we are hopeful that our customer's will return to their previous capital investment strategies for enterprise wide solutions with the returning confidence in the mining sector and the ever increasing requirement for sound corporate governance in all processes from geology to market.

Our partnership with SAP continues to develop to the point where we now jointly market to the mining industry in some locations around the globe.

A highlight of the FY2010 has been the performance of GeoGAS. GeoGAS historically undertakes gas testing and gas reservoir analysis for the coal mining industry. The business is now growing quite rapidly and profit increased 50% in FY2010 with the coal mines compliance testing representing 90% of GeoGAS business at present. With the continued growth and the recent favourable government decisions in the Coal Bed Methane industry, we are positioning GeoGAS to be the preferred supplier to this industry.

As mentioned in last year's AGM, our training continues to grow and through our partnership with Catalyst Interactive we now have gone live with an eLearning course, "Introduction to Mining" called Smartminer. Delivered over the internet, this course is extremely versatile and user friendly, is available 24/7 and is self paced. By passing an examination, a Certificate is awarded. We believe Smartminer is a world first.

Looking forward to the Financial Year 2011, Runge is now in a much better operating environment than 12 months ago. Globally the mining industry is strong with commodity prices also being maintained. Associated with a strong industry are the significant numbers of property acquisitions, corporate M&A and resource definition requirement work. Runge is undertaking a significant amount of this work.

We are seeing an increase in our Book of Work in all regions and at levels where we are now able to hire a significant number of consultants. Our new offices in Mongolia and Russia have quickly become sources of work and software opportunities. The utilisations of consultants throughout Runge has increased significantly, hence our requirement to hire around the globe.



After a slow July and August, software sales have improved back to levels we anticipated. The market for Runge's desktop solutions appears to be strengthening and this aspect, combined with additional focussed software sales effort, makes us confident about conversion of the sales pipeline. With the enterprise offering of Runge, our revised focus to offer and deliver smaller components which focus on customers' urgent problem areas will get better acceptance, though lower revenue. Market testing of this strategy has been positive.

GeoGAS continues to grow. Our move into larger Wollongong premises will allow us to better serve our customers with a cheaper, faster service. As previously stated, 90% of GeoGAS work is tied to underground coal mining compliance testing. With the Coal Bed Methane industry about to rapidly expand, we are positioning GeoGAS as the preferred supplier in this sector by being able to deliver service from exploration through to reservoir estimation.

Difficulties we see in the future, is the strengthening of the Australian dollar and, within Australia, the damage caused by an ill timed and poorly thought through Minerals Resource Rent Tax.

The opportunities ahead of Runge are many and positive. Having worked through a poor 2009/2010 year, Runge is now in significantly better shape as a corporate entity having learnt from last year and implemented initiatives from those lessons. The management of Runge is determined to deliver the significant potential that exists within Runge, its people and the environment we work in.

Thank you.



Annual General Meeting

18 November 2010

Runge - A global leader in mining information technology

Vince Gauci

Chairman

Chairman's Address



Section	Description	
1	Board Introduction	Vince Gauci
2	Chairman's Address	Vince Gauci
3	Managing Director's Address	Tony Kinnane
4	Formal Business	Vince Gauci
	Financial Report	
	Resolution 1. Adoption of Remuneration Report	
	Resolution 2. Re-election of Ross Walker	
	Resolution 3. Approval of Grant of Options to Managing Director	
	Resolution 4. Approval of grant of options to Executive Director	
5	Close Meeting	

Tony Kinnane

Managing Director

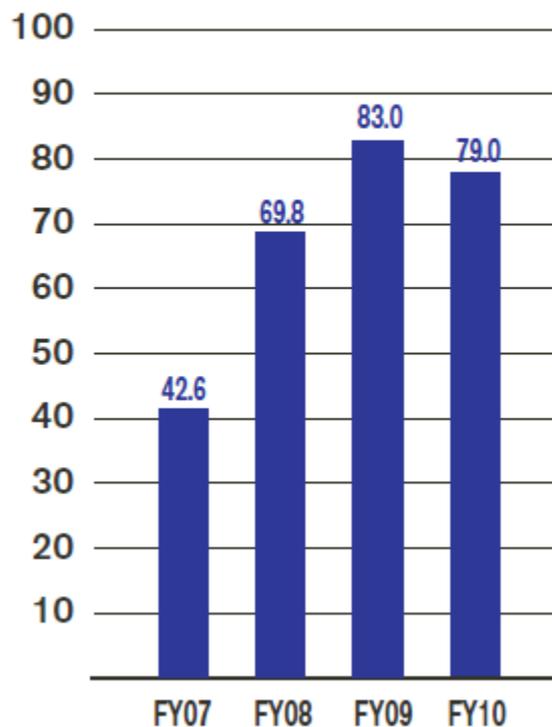
Runge - Our Global Footprint



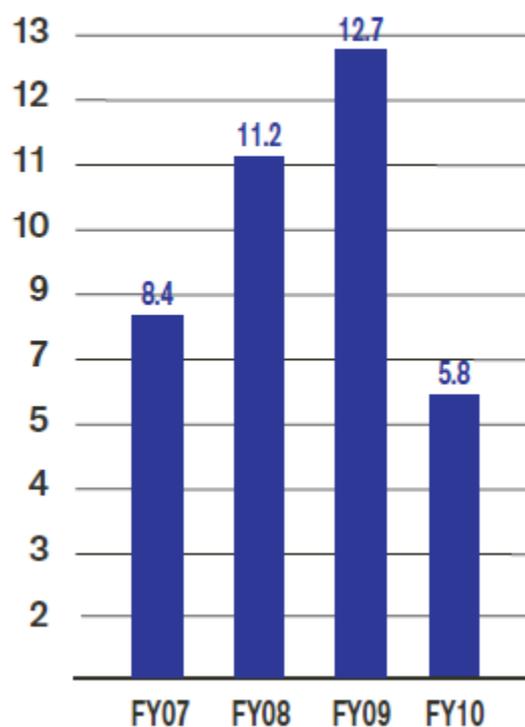
Runge Operations and Performance



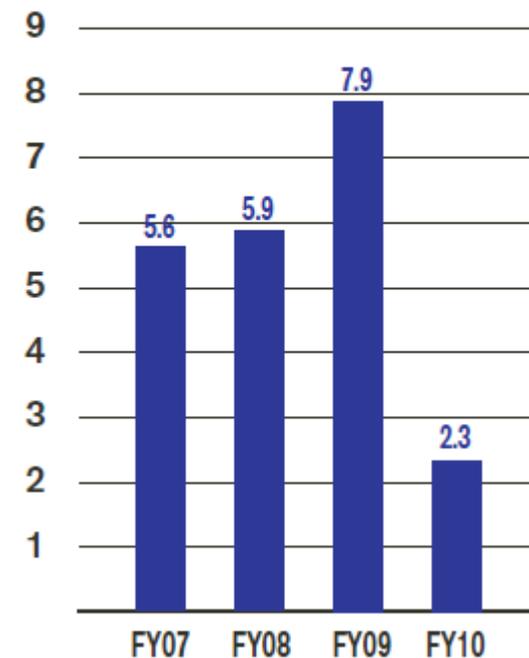
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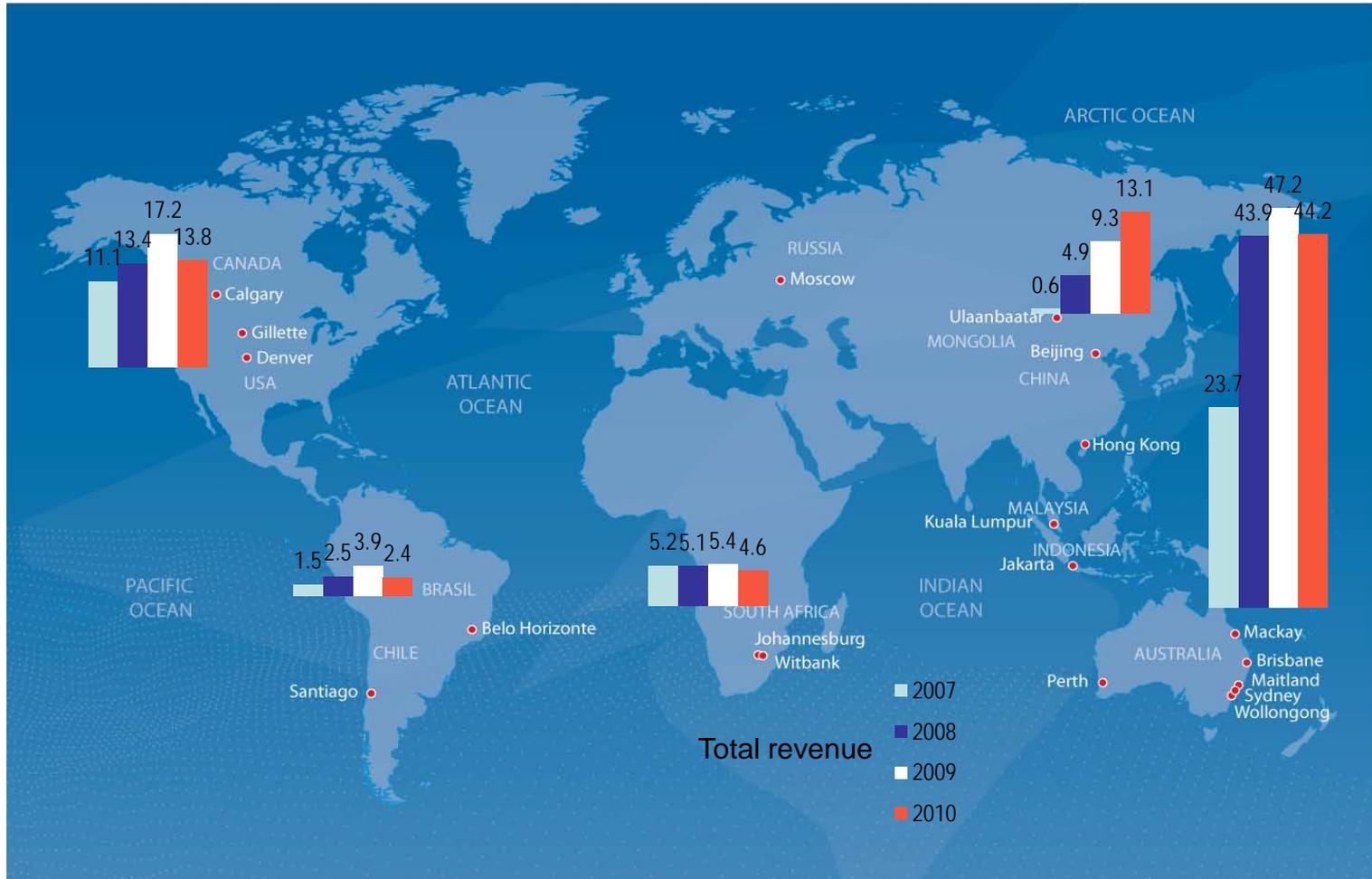


Technology Solutions



Activity	Product	Client Solution
<div data-bbox="274 448 610 564" style="background-color: #f06292; border-radius: 10px; padding: 10px; text-align: center;">Mine Design</div>	<div data-bbox="1105 448 1367 564" style="border: 1px solid #f06292; padding: 5px; text-align: center;">  </div>	<p>Maximise Resource Recoverability</p>
<div data-bbox="274 572 610 686" style="background-color: #e67e22; border-radius: 10px; padding: 10px; text-align: center;">Equipment Simulation</div>	<div data-bbox="672 572 1367 686" style="border: 1px solid #e67e22; padding: 5px; text-align: center;">  </div>	<p>Simulate Production Outcomes</p>
<div data-bbox="274 691 610 811" style="background-color: #f06292; border-radius: 10px; padding: 10px; text-align: center;">Mine Model Preparation</div>	<div data-bbox="1105 691 1367 811" style="border: 1px solid #f06292; padding: 5px; text-align: center;">  </div>	<p>Create Mining Models</p>
<div data-bbox="98 815 266 935" style="background-color: #8e44ad; border-radius: 10px; padding: 10px; text-align: center; width: 80px;">Operational Planning</div> <div data-bbox="274 815 610 935" style="background-color: #f06292; border-radius: 10px; padding: 10px; text-align: center;">Long And Medium Term Planning</div>	<div data-bbox="846 815 1097 935" style="border: 1px solid #8e44ad; padding: 5px; text-align: center; width: 130px;">  </div> <div data-bbox="1105 815 1367 935" style="border: 1px solid #f06292; padding: 5px; text-align: center; width: 130px;">  </div>	<p>Determine Financial Drivers</p>
<div data-bbox="274 939 444 1059" style="background-color: #3498db; border-radius: 10px; padding: 10px; text-align: center; width: 80px;">Budgeting</div> <div data-bbox="452 939 610 1059" style="background-color: #3498db; border-radius: 10px; padding: 10px; text-align: center; width: 80px;">Financial Modelling</div>	<div data-bbox="1070 939 1367 1059" style="border: 1px solid #3498db; padding: 5px; text-align: center;">  </div>	<p>Financial Evaluation of Mining Activities</p>
<div data-bbox="98 1063 610 1189" style="background-color: #27ae60; border-radius: 10px; padding: 10px; text-align: center;">Integrated Management Reporting</div>	<div data-bbox="852 1063 1367 1189" style="border: 1px solid #27ae60; padding: 5px; text-align: center;">  </div>	<p>Mine Intelligence / Dashboard</p>

Global footprint with strong growth in Asia



Always add value

Professional Development Training - eLearning



The screenshot shows a web browser window with the address bar set to <http://www.yourwebaddress.com>. The main content area features a large background image of a mining operation with a road winding through a valley. The title "Introduction to Mining" is displayed in the upper right corner of the content area.

A horizontal navigation bar contains nine numbered buttons, each with a small icon and a label above it:

- 1 Overview (globe icon)
- 2 Form it (blue abstract icon)
- 3 Quantify it (green abstract icon)
- 4 Plan it (blue keyboard icon)
- 5 Extract it (brown rock icon)
- 6 Convert it (yellow abstract icon)
- 7 Move it (red truck icon)
- 8 Sell it (red abstract icon)
- 9 Imagine it (blue abstract icon)

Below the navigation bar, the "Quantify it" section is highlighted in green. It includes the text "Exploration and evaluation" and a small "ax" logo with a red 'x' over it.

In the bottom left corner, there are logos for "runge", "catalyst interactive a KBR company", and "smartminer".

At the bottom of the browser window, there are navigation buttons: "EXIT", "HELP", "GLOSSARY", "MENU", "BACK", and "NEXT". The status bar at the very bottom shows "Done" and "Internet".

Runge - Market Conditions



	Consulting	Software	Gas
Australia	Strengthening	Strengthening	Very Strong
Asia	Strong	Strong *	Beginning
Africa	Strong	Strong	Beginning
Americas	Strengthening	Strengthening	Nil

* Nil software activity in China

- Corporate**
- **Forex movement adversely affecting results**
 - **Competition for staff in Australia is strong**
 - **Opportunities increasing globally**

Vince Gauci

Chairman

Proxy Numbers



Securities On Issue	124,080,000
Valid Securities Voted (For, Against, Open Usable, Open Conditional)	48,522,846
Valid Securities Voted (%)	39.11
Total Securityholders Cast	137

Vote Details				
Resolution	Vote type	Voted	%	% of all securities
1. Adopt Remuneration Report	For	42,384,728	87.35	34.16
	Against	5,978,626	12.32	4.82
	Open-Usable	159,492	0.33	0.13
	Open-Cond	0	0.00	0.00
	Open Unusable	0	N/A	0.00
	Abstain	30,000	N/A	0.02
	Excluded	0	N/A	0.00
2. Re-elect Ross Walker	For	48,270,884	99.43	38.90
	Against	126,550	0.26	0.10
	Open-Usable	148,412	0.31	0.12
	Open-Cond	0	0.00	0.00
	Open Unusable	0	N/A	0.00
	Abstain	7,000	N/A	0.01
	Excluded	0	N/A	0.00

Proxy Numbers



Securities On Issue	124,080,000
Valid Securities Voted (For, Against, Open Usable, Open Conditional)	48,522,846
Valid Securities Voted (%)	39.11
Total Securityholders Cast	137

Vote Details				
Resolution	Vote type	Voted	%	%of all securities
3. Grant of Options to MD	For	25,789,727	75.02	20.78
	Against	8,530,644	24.81	6.88
	Open-Usable	5,850	0.02	0.00
	Open-Cond	52,000	0.15	0.04
	Open Unusable	81,062	N/A	0.07
	Abstain	4,367,839	N/A	3.52
	Excluded	9,725,724	N/A	7.84
4. Grant of Options to ED	For	25,789,727	75.02	20.78
	Against	8,530,644	24.81	6.88
	Open-Usable	5,850	0.02	0.00
	Open-Cond	52,000	0.15	0.04
	Open Unusable	81,062	N/A	0.07
	Abstain	4,367,839	N/A	3.52
	Excluded	9,725,724	N/A	7.84

Thank You

Disclaimer



The material in this presentation is a summary of the results of Runge Limited (Runge) for the 12 months ended 30 June 2010 and an update on Runge's activities and is current at the date of preparation, 18 November 2010. Further details are provided in the Company's full year accounts and results announcement released on 30 August 2010.

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This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of Runge is available on our website, www.runge.com