



Unit 3, 75 Erindale Rd
Balcatta WA 6021
PO Box 632
Balcatta WA 6914
Tel: +61 (0)8 9240 2713
Fax: +61 (0)8 9240 1244
Email: info@safeeffect.com

ASX/MEDIA RELEASE

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SAFE EFFECT LAUNCHES "SIBS*Plus*"

Commercial and Technical Update

This week the Company announced to its customers an upgraded Sealed Integrated Braking System design, which is being marketed under the name *SIBSPlus*

This new development will assist Safe Effect on its path towards profitability having made solid progress on both the commercial and technical front.

Safe Effect CEO Ken Johnsen said today "The *SIBSPlus* braking system will provide existing and future customers greater levels of reliability and even further reductions in vehicle brake service costs. The product enhances the value proposition of the established SIBS, which in turn should lead to greater sales."

SIBSPlus incorporates a number of technical developments resulting out of ongoing research and developments. These developments will deliver further improvements in braking performance and a longer service interval. The improvements include a revised brake pad material and an improved synthetic SIBS cooling fluid. All *SIBSPlus* brake systems also will include stainless steel brake lines, which were previously an optional extra.

In Australia the mining companies and their service providers are continuing to roll out the SIBS across their fleet with February 2007 sales exceeding \$400,000. Based on firm customer orders the Company has committed to the delivery of brake sets for Fuso Canter trucks and this will now form part of an expanded product portfolio. Quotations have also been submitted for the supply of brakes to Nissan vehicles used in mining.

Several large mining service customers have advised the Company of their decision to use SIBS exclusively on all Landcruisers used in underground mining operations.

The product has been introduced to a number of new customers who after an initial evaluation period are expected to place further orders.

Under its new direct sales model in Australia additional sales staff have been appointed on the east coast and are now fully engaged with existing and prospective customers.

The Company continues to grow its market and in February shipped its first container of brakes to its South Africa distributor Brakecore. During February the first Toyota Landcruiser brake system was fitted to a customer's vehicle and this was then used to achieve South African Bureau of Standards approval that will apply to all subsequent Landcruiser installations. This approval to standards SANS 1207 and SANS 1589 follows like approvals received on Toyota Hilux vehicles last December.

With these two approvals in place marketing of the Company's products is now in full swing in South Africa with contact being made with the major mining companies, contractors and specialty vehicle suppliers. Discussions are progressing with various customers that could result in sales of braking systems to many hundreds of vehicle.

A number of overseas opportunities are being progressed. Over the last 3 months presentations have been made to senior executives of the major Chilean and Peruvian mines. Each of these mines have light vehicle in hundreds that could benefit from the use of SIBS technology. In addition a major European company that utilizes 600 light vehicles in coal mining operations is evaluating how SIBS could assist in reducing the brake maintenance cost of their vehicle. Sales into Canada are continuing with a \$250,000 delivery taking place in January. Expanded sales are also being explored in Indonesia, PNG, New Zealand and the Philippines.

The current outlook for sales for the balance of this financial year indicates identified opportunities for sales of over 200 additional brake sets. Based on current sales estimates and fixed costs the \$2.15 million capital raising completed in February provides ample working capital to carry the company to the point of being cash flow positive.

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Released by:
Nicholas Read / Kate Bell
Jan Hope & Partners
Telephone: (+61-8) 9388-1474

On behalf of:
Mr Ken Johnsen
Chief Executive Officer
Safe Effect Technologies Ltd
Telephone: (+61-8) 9240-2713

Background Information – Safe Effect Technologies Ltd (ASX: SAF)

Perth-based Safe Effect Technologies Ltd (ASX: SAF) is dedicated to innovative braking systems. The Company's key asset is the Sealed Integrated Braking System (SIBS™), a comprehensively patented Australian invention which is regarded as the most significant development in braking technology since the invention of disc brakes 100 years ago.

SIBS™ utilises wet friction, with the moving and non-moving brake parts immersed in a liquid that dissipates heat and reduces wear through lubrication. As a result, the brakes are virtually wear and maintenance-free and may outlast the vehicles they are fitted to, unlike conventional drum and disc brakes. SIBS™ brakes deliver unparalleled safety, improved productivity and lower operating costs, and are engineered to survive the world's harshest conditions.

The proven technology is also environmentally friendly, eliminating brake dust emissions and noise and squealing, and provides a wide-range of benefits for on-road, off-road and industrial applications in terms of safety, reliability, performance and adaptability.

Safe Effect is collaborating with industries to adapt SIBS for trucks, conveyors, industrial brakes and other applications requiring safer braking systems.

The SIBS product received a key accreditation for use on public roads and underground mines in South Africa, which is expected to become a major market.

Based in Perth, Western Australia, Safe Effect has a manufacturing plant in Thailand, worldwide patents on its technology and an overseas reseller network.

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