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Shareholder Share Purchase Plan ("SPP") to Underpin Continued Diversification Into Mainstream Markets

Advanced Braking Technology Ltd (ASX: ABV) is pleased to advise shareholders that it announced today to undertake a Share Purchase Plan ("SPP") as part of a planned capital raising to underpin its continued expansion into mainstream markets.

The issue price for shares offered under the Share Purchase Plan will be 0.95 cents per share, which represents a 5% discount to the average market price calculated over the last 5 days on which sales in the securities were recorded on the ASX up to Friday 20th February 2009. It also represents a 36% discount on last recorded trade in the shares on the ASX up to Friday 20th February 2009. The SPP will enable shareholders to participate in a capital raising on the same terms as sophisticated investors. The SPP record date will be 2 March 2009.

While ABT will continue to focus on its core target market in the mining sector, the Company's excellent recent progress with a $4 million externally funded refuse truck program has highlighted the opportunity to accelerate this diversification into markets which are largely insulated from the global economic crisis.

ABT has built a solid reputation over the last decade with its Sealed Integrated Braking System (SIBS) in the mining sector. The patented single disc enclosed wet brake is used by the world's major mining companies in the harshest environments ranging from diamond mines in the arctic, gold mines in tropical jungles to uranium mines in the deserts.

However, diversification into mainstream markets provides new, long-term exciting opportunities for the group in the wake of the recent sharp downturn in certain sectors of the mining industry.

The $4 million refuse truck program is being externally funded on a fee-for-service basis, opening up new opportunities in the market for heavy vehicle applications.

The SIBS garbage truck brake has been designed to offer:

- a much reduced operating cost;
- eliminate both noise and particle emission pollution; and
- provide operators a tangible economic benefit for adopting the product.

ABT's brake is being designed as a retrofit product that would have direct application with truck axle types that dominate the global market.

This technology may be allied to other applications where regular stopping increases brake maintenance costs or noise pollution and particle emissions are a problem.

ABT achieved a major milestone at the end of 2008 with its garbage truck brake development program by commencing production of its first batch of prototype brakes. ABT plans to demonstrate its first SIBS equipped garbage truck by June 30, 2009 and this will undergo extensive testing and validation of the targeted benefits

"ABT has a proven track record at developing SIBS brakes for a number of applications," said the Company's Managing Director Ken Johnsen. "We're taking that experience to the logical next step, by developing brakes that can be used by a wider range of vehicles, with arduous braking requirements."

ABT's half year report reflected a solid sales performance ($2.04 million in revenue) despite the downturn in the mining sector. The Company will continue to maintain and grow its presence in this market, particular in geographic areas such as South Africa where there has been little impact on the mining industry from the economic downturn.

ABT is now raising capital to maintain and grow its presence in the mining sector, to support and accelerate the development of the Garbage Truck brake and to investigate the use of their world-leading brake technology in other "frequently stopping" vehicle applications.

Published data indicates there are over 200,000 garbage trucks in service in North America and Europe alone. Annual sales of garbage trucks in North America and Europe amount to 20,000 units per annum. Large cities such as New York and Bangkok each have over 6000 garbage trucks in service.

"We are very excited by the size of the potential market for the new product under development," said Mr Johnsen, "We believe there is significant upside for these new applications following confirmation of the in use benefits; this is why we have decided to offer all our Shareholders the opportunity to participate in this capital raising at the same beneficial terms we are offering sophisticated investors."

All Shareholders who are on the company register on the record date of 2 March 2009 will be eligible to participate in the SPP.

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Background Information – Advanced Braking Technology Ltd (ASX: ABV)

Perth-based Advanced Braking Technology Ltd (ASX: ABV) is dedicated to innovative braking systems. The Company's key asset is the Sealed Integrated Braking System (SIBS™), a comprehensively patented Australian invention.

SIBS™ is a fully enclosed, single rotor, high speed wet brake. The brake rotor runs in a bath of oil that serves to cool the brake and minimize wear at the braking interface. An innovative fail safe feature is incorporated into the rear axle brake. 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.