



Advanced Braking Technology Ltd

MEDIA/ASX RELEASE

27th April 2011

ABT FINALISES \$2 MILLION COMMONWEALTH FUNDING AGREEMENT TO SUPPORT MARKET ENTRY OF GARBAGE TRUCK BRAKE

COMMERCIALISATION AUSTRALIA - EARLY STAGE COMMERCIALISATION GRANT

Advanced Braking Technology "ABT" (ASX: ABV) announced today that its operating subsidiary Advanced Braking Pty Ltd had finalised a Funding Agreement with the Commonwealth Government for funding of \$2 million to support a total project exceeding \$5.7 million to accelerate the final validation and market entry of the Sealed Integrated Braking System (SIBS™) on garbage trucks.

The funding is being provided by Commercialisation Australia as an Early Stage Commercialisation (ESC) project entitled "Market Entry Support for an Improved Braking System for Garbage Trucks"

An offer of funding from the Commonwealth was announced to the ASX on the 28th March 2011 and on 21st April 2011 the formal Funding Agreement between the Commonwealth and Advanced Braking Pty Ltd was finalised. This Funding Agreement covers eligible expenditure on the project to be claimed from 4th January 2011. An initial payment of \$377,232 in support of activity on the project until 30th June 2011 will be made immediately by the Commonwealth and thereafter, subject to the adherence of the terms of the Funding Agreement, quarterly payments will be made over the 2 year duration of the project until 31st December 2012.

The Commonwealth funding will supplement funding on the project being provided under the Pre-Production Contract entered into in July 2010 with Brake Developments Pty Ltd. Under this contract \$2 million is being provided for the production validation of the pre-production design of SIBS™ that achieved proof of concept sign off in March 2010

A project with a much expanded scope than that covered by the Pre-Production Contract will be enabled by the Commonwealth funding. The expanded project includes:

- the preparation and monitoring of a 50 garbage truck fleet that will be retro-fitted with ABT's current non-ABS design of SIBS™ for garbage trucks.
- the development of an ABS (anti-skid) version of the SIBS™ for garbage trucks
- the production validation through a 5 truck fleet of the ABS version of SIBS™ for garbage truck.
- The preparation and monitoring of a 50 garbage truck fleet of new trucks that will be fitted with the ABS version of SIBS™

ABT's CEO Mr Ken Johnsen stated "An important aspect of the expanded project will be the preparation and sale of 100 SIBS™ brake sets to commercial and/or local government users of garbage trucks. The project will facilitate the close monitoring and support of these first commercial sales to ensure a successful market launch."

Sealed Integrated Braking System (SIBS™) – Commercial Application

The Sealed Integrated Braking System (SIBS™) is a patented single disc enclosed wet brake 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.

ABT has recognised that there is a massive market for the braking system in the mainstream market and in particular garbage trucks, which operate in similar high wear, stop/start environment and where public safety is paramount.

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.

Mr Johnsen added. "With over 200,000 garbage trucks in service in North America and Europe alone, which are replaced at 20,000 units per annum this is a market with exciting potential."

ENDS

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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.