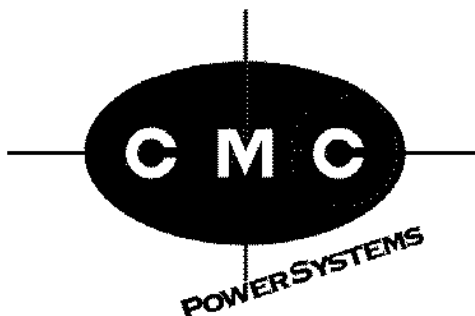


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Chairman retires from the Board

The Executive Chairman of CMC Power Systems Limited (ASX-CSY), Graham Fountain, announced today that he had resigned from the Board of directors.

Mr Fountain said a new Director, Dato' Dr Hj Sallehuddin Kassim, had been appointed to replace him as a Member of the Board.

"I congratulate Dato' Sallehuddin on his appointment and look forward to continuing to work closely with the Company in my new capacity as Technical Consultant," Mr Fountain said.

"This arrangement will be good for me personally, as well as for the company. I recognise the need for generational change. I will shortly be turning 70, and at this point in my career it is not my desire to increase my workload which may be required as CMC approaches its goal of commercialisation in manufacturing the SYTEC engine."

Mr Fountain said he was pleased with the progress being made by CMC's master licensee in Malaysia, Sytec Technologies Sdn Bhd, towards obtaining necessary funding from Malaysian sources for the establishment of a manufacturing plant.

Dato' Sallehuddin, 52, has a Bachelor's degree in Mechanical Engineering and MBA from Monash University, Melbourne, and a PhD from Pacific Western University, Los Angeles, USA. He has had wide experience in engineering and management in the ship building, palm oil extraction, battery manufacturing and finance industries in Malaysia, and is currently Chairman of three Malaysian companies listed in Malaysian Stock Exchange, and a Director of several private companies spanning from financial and engineering entities.

The Board will now consist of Dato' Sallehudin, Tony Teng (Company Secretary) and Frank Choo.

Mr Teng said Mr Fountain's engineering expertise, as the primary inventor of the engine and holder of the patent on the engine lubrication system, was a highly valued asset of the company, and the Board has invited him to continue to make a significant contribution to the technology during the commercialisation process.

Authorised by Tony Teng, Company Secretary

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