



ADVANCED ENGINE COMPONENTS LIMITED

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12 October 2004

Company Announcements Office
The Australian Stock Exchange Limited

By: e-lodgement

Dear Sir/Madam

Re: ASX WAIVER

Advanced Engine Components Limited (the "Company") has today been granted a waiver from listing rule 14.7 by ASX as follows:-

1. Based solely on the information provided, Australian Stock Exchange Limited ("ASX") grants Advanced Engine Components Limited (the "Company") a waiver from listing rule 14.7 to the extent necessary to permit the Company to issue up to a maximum of 21.6 million fully paid ordinary shares at an issue price of 20 cents each, 23 million fully paid ordinary shares at an issue price of 10 cents each and 2 million options exercisable at 20 cents each on or before 30 June 2008, pursuant to Resolutions 4, 5, 7-9, 11 and 12 of the Company's Notice of Meeting and approved by shareholders at a meeting held on 8 September 2004, to occur no later than 8 December 2004, on condition that the terms of this waiver are immediately released to the market.
2. ASX has considered listing rule 14.7 only and makes no statement as to the Company's compliance with other listing rules.

Yours sincerely

A handwritten signature in black ink, appearing to read 'SS' or similar initials.

**SIMON STORM
COMPANY SECRETARY**