



ADVANCED ENGINE COMPONENTS LIMITED

ACN: 009 081 770



Quality
Endorsed
Company
ISO 9001 Lic. 13705
SAI Global

14 ENERGY STREET
PO BOX 3126
MALAGA 6090
WESTERN AUSTRALIA

TEL: +61 8 9209 6900
FAX: +61 8 9209 6999

21 July 2005

Company Announcements Office
The Australian Stock Exchange Limited

By: e-lodgement (ASX code ACE)

FAW/AEC ENGINE GAINS EURO 3 CERTIFICATION

Advanced Engine Components Limited ("AEC") is pleased to announce a significant milestone toward the production of natural gas ("NG") engines in China.

The First Auto Works ("FAW") 6.6 litre NG engine, incorporating AEC's Natural Gas Vehicle System ("NGVS"), has successfully completed the European Steady State Cycle ("ESC") exhaust emission procedure. This certification complies with the Euro 3 standards required for Europe and is a generation ahead of the Euro 2 standard currently applied by Chinese regulatory authorities.

AEC has been working with FAW, China's largest vehicle manufacturer, to jointly design, develop, test and certify an FAW NG engine, incorporating AEC's NGVS components, since November 2003.

FAW has two bus chassis specifically built for the FAW/AEC NG engine. Two of the FAW/AEC NG engines will now be installed on the chassis and run-in prior to building the bus bodies and commencing 30,000 kilometre road trials. FAW and AEC have a further nine, 6.6 litre, NG engines built or being built for various testing and commercial purposes.

AEC will display the ESC Euro 3 certified engine at the Kuala Lumpur Natural Gas Vehicle Conference and Exhibition later this month. In addition, FAW plan to exhibit the engine and a complete FAW/AEC NG powered bus at the Beijing International Clean Vehicle Exhibition in September 2005.

The FAW/AEC co-operation agreement has proved very successful to date. AEC's preliminary design of the smaller FAW 3.1 litre NG engine is complete and discussions have commenced in relation to a third FAW/AEC NG engine programme.

For further information please contact:

Tony Middleton – Managing Director on (08) 9209 6900;

Graham Keys – Chairman on (08) 9324 8555; or

Email – shares@advancedengine.com

