



ADVANCED ENGINE COMPONENTS LIMITED

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The Company Announcements Office
Australian Stock Exchange Limited
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THAI SALES ORDER FOR \$500,000

Advanced Engine Components Limited ("ACE") is pleased to announce an order to build and deliver compressed natural gas ("CNG") engines, with a sales value of \$500,000, to the Union Bus Service Company of Thailand ("Union Bus").

The engines will be purchased and on sold by the Monika/ACE Thai joint venture ("JV"). ACE has a 21% interest in the JV (refer ACE's ASX announcement of 11 July 2007). As well as an interest in the JV profits, ACE installs the ACE natural gas vehicle systems ("NGVS") on the selected Chinese base engines and sells the completed CNG engines to the JV.

ACE has sold 172 natural gas ("NG") engines into Thailand, through the JV, since the JV's inception in June 2007. Of the 172 engines sold into Thailand, 97 were delivered pre 31 March 2008 and the balance, including the current order from Union Bus, will be delivered before 30 June 2008.

The JV also supplies Union Bus with additional components such as CNG cylinders; assists with the engine installation and re-powering of the buses; assists with commissioning; and trains Union Bus employees on future maintenance and servicing requirements.

The Thai Government and PTT Public Company Ltd ("PTT"), Thailand's largest energy provider, are very supportive in encouraging Thai bus and truck operators to convert from diesel to NG. This support includes capping the NG price at 50% of the price of diesel (currently 30%); PTT building a nationwide network of CNG refuelling stations; PTT offering to build CNG refuelling facilities at operators depots if they operate more than 200 NG vehicles; and low interest loans to promote conversions.

Less than 2,000 of Thailand's 800,000 heavy duty vehicles currently operate on NG. PTT has forecast Thailand's growth in NG vehicles will be at least 50% pa over the next five years.

With Government initiatives, abundant natural gas reserves (approximately 38.24 TCF), expanding NG refuelling infrastructure and the forecast growth in NG vehicles, Thailand is one of ACE's most important markets. As well as current ACE NG engine sales to Thailand there is significant potential, for further growth in Thai sales revenues, both immediately and long term.

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