



ADVANCED ENGINE COMPONENTS LIMITED

ACN: 009 081 770



14 ENERGY STREET
PO BOX 3126
MALAGA 6090
WESTERN AUSTRALIA

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

16 June 2008

The Company Announcements Office
Australian Stock Exchange Limited
By: e-lodgement (ASX code: ACE)

\$425,000 SALE TO INDONESIA

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 \$425,000, to PT Arimbi Jaya of Indonesia ("AJA").

The current order, to be delivered by 30 June 2008, brings to 65 the total number of CNG engines purchased from ACE by AJA since 1 January 2008. AJA pays a 30% deposit on order with the balance to be received within 30 days of delivery.

AJA are comparing different CNG engines, incorporating the ACE NGVS, with the intention of placing a further \$2,200,000 order with ACE in the near future.

AJA is a large Indonesian based truck and bus reseller and operator. AJA are building their own CNG refuelling facilities and is one of the first Indonesian companies to receive natural gas delivered to Indonesia.

This transaction demonstrates ACE has successfully built a strong foothold in the Indonesian market, in addition to China and Thailand, and has the capability to promptly meet client demands.

Indonesia has an abundance of natural gas reserves. With approximately 98 trillion cubic feet it is the third largest in the region, behind Iran and the United Emirates, with approximately three times Australia's natural gas reserves.

In December 2007, NGV Global reported Indonesia's major fuel suppliers, Pertamina, Petronas and Shell Indonesia, had agreed to begin supplying CNG from their retail stations early in the 2008 calendar year. Availability of CNG for public bus routes had commenced throughout 2007.

For some years, CNG had been unable to compete with diesel in Indonesia. However, this has rapidly changed with the increase in the price of oil and the administration's commitment to improving the air quality in Jakarta. NGV Global reported 1,755 vehicles have been given free CNG conversions to help stimulate demand.

Indonesia is another expanding market for ACE natural gas engine products. As with other Asian countries, the business drivers are the price and security of oil supply, environmental concerns, legislative incentives, abundance of natural gas reserves and expanding refuelling infrastructure.

For further information contact Tony Middleton, Managing Director, on +618 9209 6900; or email shares@advancedengine.com

