



ADVANCED ENGINE COMPONENTS LIMITED

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Market Announcements Office
Australian Securities Exchange
By: e-lodgement (ASX code ACE)

Update on Recapitalisation Plan

As announced on 18 January 2013, Advanced Engine Components Limited entered into a conditional Term Sheet for a proposed acquisition in the alternative fuels market and recapitalisation of ACE ("Recapitalisation Plan").

As part of the Recapitalisation Plan, certain conditions including an initial placement were expected to be completed by the end of March 2013.

The conditions remain outstanding and ACE, together with the vendors under the Term Sheet, continue to pursue negotiations with potential investment parties to raise the necessary equity in the Company which would enable the completion of the proposed Recapitalisation Plan including all compliance requirements for reinstatement to ASX. The company is unable to provide a time frame or likely success factor for these matters. The major shareholders of ACE and related party lenders and creditors remain supportive of the company.

For further information email shares@advancedengine.com