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ASX ANNOUNCEMENT

ATG signs distribution agreement with German automotive group

Leading Australian clean automotive technology company Automotive Technology Group (ATG) (ASX: ATJ) is pleased to announce that it has signed a distribution agreement with German automotive group, IAP Project Management GmbH (IAP) for the distribution of ATG's Sprintex® supercharger products in Europe.

The agreement will give IAP the rights to import, distribute and sell ATG's patented low emissions, high fuel efficiency Sprintex® branded supercharger products throughout Europe.

Under the terms of the agreement ATG and IAP have agreed to a sales target for Sprintex® branded superchargers in calendar year 2009 of €500,000.

Sales targets for 2010 and 2011 calendar years will be mutually agreed by both parties. The agreement is for a period of three years.

The goal of ATG and IAP, via the successful agreement between the two companies, is to position IAP's engine systems powered by ATG Sprintex® superchargers (or compressors) as a household name in the European tuning market.

Both parties have agreed to collaborate in the further development of supercharger systems, based on ATG's patented Sprintex® superchargers and supercharger products. Both parties will also implement and participate in joint marketing programs to help ensure the success of the agreement.

The agreement refers only to aftermarket product, and ATG reserves all rights to any agreement with Original Equipment Manufacturers (motor vehicle manufacturers) for the supply of its supercharger products.

ATG Executive Director – Corporate Steven Apedaile said that the agreement with IAP was another major development for the Company, and helped to reinforce the growing acceptance and uptake of ATG's Sprintex® Supercharger in major global automobile markets to achieve lower emissions and greater fuel efficiency in motor vehicles and motorcycles.

"Our Supercharger technology is recognized as a world leader in delivering higher engine performance and greater fuel efficiency, and with the agreement with IAP in Europe, we now have distribution capacity in four of the world's major automotive markets after agreements were completed in the UAE and China over past two months," Mr Apedaile said.

IAP Managing Director Mr Joerg Fiedler said, "I am delighted to have been able to reach agreement with ATG to have IAP appointed as a European distributor for Sprintex compressors as I believe that compressors in combination with our kit strategy for premium motorcycles and passenger cars will be successful in the European market."

ATG is currently developing systems for various Original Equipment Manufacturers (OEMs), and the Company's vision is to be a leading developer and manufacturer of innovative green automotive technologies in global markets, in particular in the manufacturer of superchargers. ATG has also successfully applied its patented Sprintex® supercharger to the Harley-Davidson V-Rod and Ducati Monster motorcycles.

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About Automotive Technology Group

Automotive Technology Group Limited (ATG) listed on the ASX in May 2008.

ATG is the designer and manufacturer of the patented low emissions, high fuel efficiency Sprintex® supercharger product range. The Company's vision is to be a leading developer and manufacturer of innovative green automotive technologies to the world market, in particular in the manufacturer of superchargers.

ATG also manufactures and supplies Vee Two specialist and performance parts for all Ducati and certain models of Harley-Davidson motorcycles.

The Company operates from a specialist research and development facility in Perth, Western Australia.

Visit www.ATGgroup.com.au for more information.

About IAP Project Management GmbH

After more than 15 years international experience as engineer and managing director in the OEM (Original Equipment Manufacturers) power train supply business employing more than 2,500 people in three manufacturing plants, Mr. Joerg Fiedler founded the IAP Project Management GmbH in 2000, with the goal of engineering and manufacturing automotive systems related components, aimed at the European OEM market. Major customers of IAP in the beginning were Volkswagen AG and MAHLE GmbH.

In 2001, Mr. Fiedler expanded his project management business to engineering and manufacturing by establishing the IAP Technology GmbH as a green field plant in Saxony/Germany, to develop and manufacture turbochargers for the premium end of the automotive market.

End of 2006 after a very successful buildup Mr. Fiedler sold his majority shares of IAP Technology GmbH to Voith Turbo to enable the business to grow and for Voith Turbo to become a leading player in the OEM turbocharger industry.

Today Mr. Fiedler is shareholder in a group of developing and prototyping companies acting in the high end automotive and motor sports business, using latest materials and technique in prototyping and manufacturing technology.