

1 September 2014

Market Announcements Office
Australian Securities Exchange
ASX code ACE

**ADVANCED ENGINE COMPONENTS LTD
(ADMINISTRATORS APPOINTED)
ACN 009 081 770 (“the Company”)**

Appointment of Voluntary Administrators

Mark Summers and Jack James of Palisade Business Consulting Pty Ltd were appointed Voluntary Administrators of the above Company on 29 August 2014 pursuant to a resolution passed by the Board of Directors of the Company.

The Company was already suspended from official quotation on the Australian Stock Exchange.

Prior to our appointment the Company accepted an offer to recapitalise the Company with Ostana Pty Ltd. The Voluntary Administrators will review the terms of the proposed recapitalisation deed and any subsequent proposal received for a Deed of Company Arrangement.

The future of the Company will be decided at a second meeting of creditors to be convened in due course. Should a recapitalisation proposal be approved by creditors, a meeting of shareholders will then be convened to obtain shareholder approval.

Given the large number of shareholders in the Company (circa 900) and the Company’s limited resources we will provide further updates to shareholders via releases to the ASX in due course.

Creditors and Shareholders are encouraged to review the following information sheets produced by the Australian Securities & Investments Commission via their website www.asic.gov.au for further particulars on the Voluntary Administration procedure:

- ASIC Information Sheet 43: Insolvency: A guide for shareholders
- ASIC Information Sheet 74: Voluntary Administration: A guide for creditors

Any essential enquiries from shareholders should be made to Ms Jiin Herng Choong of Palisade Business Consulting on +61 8 9328 6262.

MARK SUMMERS
Joint And Several Voluntary Administrator

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