

ASX RELEASE

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Terra Dura Market Update

Advanced Braking Technology (ASX: ABV) ('ABT' or 'the Company') advised today that it had experienced further production delays from its suppliers of Terra Dura brake components. This will result in the first production sets now being made available to customers in July 2017.

The cause of the additional delay is the rejection of supplied brake hubs due to porosity – that is, casting metal contamination in the form of a trapped gas.

The fault was discovered as part of ABT's regular quality control inspection process. Timely identification of this issue has ensured that none of these components will reach the market.

ABT noted that the its engagement with its new manufacturer of the Terra Dura product has involved an iterative process requiring castings to be checked for issues such as porosity. The new supplier, while a very experienced large engineering organisation, has had to develop a detailed understanding of the product and go through iterations in drawing interpretation.

In announcing the delay, the Company restated its commitment to delivering defect-free 100% quality assured product that fulfil the safety critical demand of customers - which include multinational miners.

Mr Sumner said he was looking forward to the product release next month following rectification and further quality testing.

"We are naturally frustrated by the delay in bringing the Terra Dura product to market but the product must be absolutely right before release," said ABT's Managing Director, Graeme Sumner. "However, ABT is confident that these new supplier 'teething issues' are being resolved in that recent Terra Dura brakes supplied for the road testing were free of the porosity issue. Pleasingly, the Terra Dura brake also passed the on-road licence test and is now licenced for the Australian market.'

He said ABT was projecting sales of between 1000 and 1500 Terra Dura units in the first year of production at a retail price of \$4950 per set. The Company said it already had sufficient prospective customers to suggest that this target is readily achievable.

ENDS

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About Advanced Braking Technology Ltd

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Advanced Braking Technology Ltd (ASX: ABV) develops innovative braking solutions, with its main products being the Sealed Integrated Braking System (SIBS®), now used widely in light commercial vehicles, primarily in the mining industry and the new Terra Dura® polymer and steel brakes which are addressing the needs of vehicles and trailers operating in harsh conditions.

All Advanced Braking Technology braking solutions are comprehensively patented Australian inventions.