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ASX ANNOUNCEMENT

ATG SIGNS SPRINTEX[®] SUPERCHARGER AGREEMENT WITH USA GREEN AUTOMOTIVE TECHNOLOGY COMPANY

Key points

- **Agreement with USA green automotive technology company PlasmaDrive to collaborate on the commercialization of PlasmaDrive's fuel saving systems utilizing ATG's patented Sprintex[®] Supercharger**
- **PlasmaDrive is an emerging leader in advanced fuel economy and emissions reduction innovation and technology**
- **PlasmaDrive has successfully tested the Sprintex[®] supercharger in vacuum configuration as required for their system, achieving exceptional results**
- **Independent testing has shown the patented PlasmaDrive system to improve fuel economy by up to 20% and emissions by more than 20%**
- **Sales volumes forecast to exceed 1 million units per annum in three years**
- **Production of the PlasmaDrive system is expected to commence in the quarter ending 31 March 2011**

Leading Australian clean automotive technology company Automotive Technology Group (ATG) (ASX: ATJ) is pleased to announce that it has entered into an agreement with leading American automotive technology company PlasmaDrive Inc. to supply ATG's patented Sprintex[®] Supercharger in vacuum configuration for PlasmaDrive's fuel saving engine systems.

Under the agreement, ATG and PlasmaDrive will work together to bring PlasmaDrive's Phas5Fuel advanced fuel economy low emission fuel system to the global automotive market.

The objective of the agreement is to develop a large scale, long term supply of ATG Sprintex[®] Superchargers for PlasmaDrive's engine systems. PlasmaDrive's market research forecasts sales volumes could grow to in excess of 1 million units per annum, in less than three years.

ATG Managing Director Steven Apedaile said: "The Company is focused on continuing to grow the Sprintex[®] Supercharger's presence in the aftermarket, and the opportunity to partner with PlasmaDrive on a potentially large scale, 'clean and green' application of our world leading supercharger technology is one that we are very excited about."

PlasmaDrive has previously tested other superchargers and vacuum systems without achieving their required efficiency or durability. PlasmaDrive has recently evaluated two Sprintex[®] units, producing results far exceeding their requirements.

PlasmaDrive President and CEO, Richard Calquhoun said: "We are excited to be working with ATG and the Company's Sprintex[®] Superchargers. It has been difficult finding an automotive supercharger company that can deliver a vacuum system for our application. Our preliminary testing has shown that the Sprintex[®] Supercharger has delivered results which exceed the requirements for creating a vacuum for our Phas5Fuel system. The Sprintex[®] unit will allow us to progress this technology with confidence."

ATG will utilize the Company's Sprintex[®] twin screw superchargers (in a vacuum pump configuration) in PlasmaDrive's unique and revolutionary fuel saving engines systems. Under the agreement ATG and PlasmaDrive will also collaborate on further development of fuel-saving and emission reducing technology.

PlasmaDrive is an emerging global leader in advanced fuel economy and emissions reduction innovation and technology. It is the owner and developer of a patented breakthrough technology which allows conventional engines in all vehicles to operate at normal capacity on significantly less fuel and lower emissions. This is achieved by utilising waste exhaust heat and an efficient vacuum pump connected to a patented device, to create Phas5Fuel from petrol, diesel or gas. The Sprintex[®] Supercharger will provide the all important vacuum pump component.

ATG Managing Director and Business Development Manager will travel to PlasmaDrive's USA facility in April to discuss further opportunities regarding the manufacture and distribution of the systems and to secure a unit for independent testing to the Australian Standard for this type of device. Certified independent testing will be carried out during May and subsequent production, initially for the aftermarket is expected to commence in the quarter ending 31 March 2011.

The technology is suitable both for Original Equipment Manufacturers (new vehicles) and for retro fit to existing vehicles in the aftermarket. At this stage, the plan is that each PlasmaDrive unit will incorporate a Sprintex[®] Supercharger, which highlights the major, large scale sales opportunity the agreement with PlasmaDrive represents for ATG.

ATG Business Development Manager Jay Upton commented "Technologies of this type weren't even on our radar at this point, so we are thrilled to find such a high volume application that will accelerate the demand for our product much quicker than we had originally planned".

The total global market for forced induction engine systems (which includes superchargers and turbo chargers) is forecast to grow by 70% over the next five years as the automotive industry seeks new methods to reduce vehicle emissions and fuel consumption without impacting engine performance, to comply with tough emissions standards being implemented by governments worldwide.

ATG's Sprintex[®] Supercharger delivers lower exhaust emissions with greater fuel efficiency and performance, and has been independently tested (SAE standard J1723) and confirmed as one of the world's best superchargers for automotive applications.

ENDS

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About Automotive Technology Group – (ATGgroup.com.au)

Automotive Technology Group listed on the ASX in May 2008. It 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 world markets, in particular in the manufacturer of superchargers.

Motor vehicle and motorcycle manufacturers are increasingly turning to Superchargers to help meet tougher vehicle emissions and fuel efficiency targets being set by governments globally, and the Sprintex® Supercharger achieves these two goals while ensuring that engine performance is not compromised. This technology vision is simple; smaller more powerful engines, less pollution, one solution

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

About PlasmaDrive – (plasmadrive.com)

PlasmaDrive, Inc. is an emerging global leader in advanced fuel economy and emissions reduction innovation and technology. Its mission is to develop and deliver technologies that promote cleaner and more energy-efficient vehicles worldwide.

The company has pioneered a breakthrough technology for improving energy efficiency in engines powered by fossil fuels and reducing harmful carbon dioxide emissions. Independent laboratory tests show that the Company's engine system boosts fuel economy by up to 20% while decreasing emissions by over 20%.

It has patent protection for its breakthrough technologies in the world's most major markets, including the USA, China, Japan, and most of Europe.