



**AUTOMOTIVE TECHNOLOGY GROUP LIMITED**

**ABN: 38 106 337 599**

18 October 2010

Dear Shareholder,

**NON-RENOUNCEABLE ENTITLEMENT ISSUE**

Automotive Technology Group Limited (**Company**) has issued a prospectus for an entitlement issue of one (1) fully paid share in the Company (**Shares**) for every one (1) Share held by shareholders at 5.00pm on the record date of 25 October 2010 at an issue price of \$0.03 per Share, and one (1) free new Option for every four (4) shares subscribed for (**Entitlement Issue**).

The entitlement issue will result in the issue of approximately 227,711,866 Shares and 56,927,967 Options in the Company.

The Prospectus relating to this issue has been lodged with the Australian Securities and Investments Commission and ASX and is available on the ASX website for inspection. The timetable and important dates of the issue are set out below:

**TIMETABLE AND IMPORTANT DATES\***

Lodgement of Prospectus with ASIC	13 October 2010
Lodgement of Prospectus and Appendix 3B with ASX	14 October 2010
Notice sent to Shareholders	18 October 2010
Ex Date	19 October 2010
Record Date for determining Entitlements	25 October 2010
Prospectus dispatched to Shareholders	27 October 2010
Closing Date	11 November 2010
Notify ASX of under-subscriptions	15 November 2010
Dispatch date/Shares entered into Shareholders' security holdings	19 November 2010
Trading of new Shares and new Options expected to commence on ASX	22 November 2010

The purpose of the issue is to raise up to approximately \$6,800,000 and the funds raised will be used to fund the purchase of equipment to increase in-house component manufacturing capacity, repay short term loans and to fund working capital.

The capital structure of the Company on completion of the issue will be as follows:

### Shares

	Number
Share currently on issue	227,711,866
Shares offered pursuant to the Entitlement Issue	227,711,866
<b>Total Shares on issue</b>	<b>455,423,732*</b>

\* Assumes the offer is fully subscribed.

### Options

	Number
Options currently on issue	60,181,930
Options offered pursuant to the Entitlement Issue	56,681,930
<b>Total Options on issue</b>	<b>117,109,897*</b>

\* Assumes the offer is fully subscribed.

In calculating entitlements under the entitlement issue fractions will be rounded up to the nearest whole number.

Full detail of the issue will be contained in the Prospectus that will be mailed to all shareholders who are registered on the record date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully



**JAY STEPHENSON**  
Company Secretary

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