

6th September 2010



ASX ANNOUNCEMENT

UPDATE ON CHINA MARKET

Key points

- **Focused efforts to develop relationships leading to sales in China have achieved significant traction with ATG poised to significantly increase sales volumes**
- **Focus on China validated from receipt of significant orders from China distributor**
- **Sprintex Supercharger systems to be launched in Beijing in September**
- **China distributor builds new purpose built installation centre**

Australian clean automotive technology company Automotive Technology Group (ATG) (ASX: ATJ) is pleased to provide the following update on its China sales programs for the Company's patented low emissions, high fuel efficiency Sprintex[®] Supercharger.

The Company advises that its Chinese distributor, Huachuang Zhenxin Automobile Technology ("Huachuang") purchased over \$70,000 of supercharger products during August, for inclusion in locally manufactured systems to suit Suzuki Swift and Ford Focus cars.

ATG Business Development Manager Jay Upton recently visited China to oversee installation of a pre-production Sprintex[®] Supercharger system to a Honda Jazz (for evaluation in Beijing) and to assist with finalisation of the Suzuki Swift system.

ATG will be attending the Specialist Equipment Market Association (SEMA) show in Beijing, from September 23-26, to show-case ATG's products and support Huachuang, as they launch two ATG supercharger systems (and two systems of their own) for the rapidly growing small car performance market in the region.

Huachuang has completed a purpose built installation centre in Beijing. The installation centre has an in-house chassis dynamometer and other specialised equipment to provide expert installations and training for Huachuang technicians from its 200 dealers across the country.

The automotive aftermarket is growing exponentially in China, in parallel with the massive increase in car production. ATG is committed to focusing on selling ATG's Sprintex[®] Superchargers into this rapidly growing market and pursuing opportunities with original equipment manufacturers (OEM's).

Sprintex[®] Supercharger sales in China are expected to be a significant driver delivering increased sales volumes to ATG, and the Company remains on track to deliver on its planned ramp up in sales volumes.

The massive increase in car production in China has seen volumes grow from 5 million cars in 2005 to an expected number of more than 15 million cars in 2010. Motor vehicle sales in China during 2010 are expected to exceed sales in the United States by 5 million, and since November of 2009 China has displaced the United States as the world's largest automotive market. ATG are actively pursuing participating in this key rapidly growing market through selective distribution arrangements and targeted model development initiatives.

Within China, the majority of vehicles sold have engine capacities under 1.5 litres, and a focus area for ATG has been to develop supercharger kits which can be added to many of the most popular small engine capacity vehicles sold in China.

The Sprintex[®] Series Five Supercharger provides significantly improved overall vehicle efficiency, as typically no inter-cooling is needed, which reduces the level of radiated heat and overall system cost.

ATG's Sprintex[®] Supercharger product delivers lower exhaust emissions with greater fuel efficiency and performance from automotive engines. The technology is designed to deliver smaller more powerful engines with less pollution. It also has applications in the industrial compressor market.

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 vehicle performance is not compromised.

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About Automotive Technology Group

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.