

ASX ANNOUNCEMENT

**ATG SIGNS EXCLUSIVE \$8M DISTRIBUTION AGREEMENT WITH LEADING CHINESE
AUTOMOTIVE GROUP**

Key points

- **Automotive Technology Group Limited (ATG) (ASX: ATJ) signs \$8M distribution agreement with Huachuang Zhenxin Automobile Technology Development Co Ltd (Huachuang) for the exclusive distribution of ATG's Sprintex® Supercharger products in China**
- **Under the terms of the agreement, Huachuang will purchase Sprintex® Superchargers to value of approx A\$2M in the first 12 months, and approx A\$3M in each of the second and third 12 month periods of the agreement**
- **The agreement is for a period of 3 years**
- **Huachuang is a leading Chinese automotive distribution group which specialises in wholesaling and retailing automotive parts and accessories**
- **The agreement gives Huachuang the exclusive rights to market and sell ATG's Sprintex® Superchargers in the automotive products aftermarket in China, Hong Kong, Macau and Taiwan**

Leading Australian clean automotive technology company Automotive Technology Group (ATG) (ASX: ATJ) is pleased to announce that it has signed a \$8 million distribution agreement with leading Chinese automotive distribution group, Huachuang Zhenxin Automobile Technology Development Co Limited (Huachuang) for the exclusive distribution of ATG's Sprintex® Supercharger products in China.

This agreement will give Huachuang the exclusive rights to market and sell ATG aftermarket automotive products including its patented low emissions, high fuel efficiency Sprintex® Supercharger in China, Hong Kong, Macau and Taiwan.

Under the terms of the agreement, Huachuang will purchase Sprintex® Supercharger products to the value of approximately A\$2 million in the first 12 months of the agreement, and approximately A\$3 million in each of the second and third 12 month periods of the agreement. The agreement is for a period of 3 years from 1 March 2010. These dollar amounts represent the aggregate of the monthly minimum purchases required by Huachuang to maintain its exclusive distribution rights.

The supercharger kits will initially be developed by ATG at its state of the art Perth facilities and will then be delivered to Huachuang for final fitting and conversion to Chinese specifications. ATG will provide all necessary technical support, which will include; installation training, accessories development training, and Electronic Control Unit training.

The agreement will also see Huachuang undertake the development of supercharger kits. All supercharger kits developed by Huachuang will include an ATG Sprintex® Supercharger. Huachuang will also implement a marketing plan to promote the ATG products in each country covered under the agreement.

Huachuang's primary business is the wholesaling and retailing of automotive parts and accessories, among other products, in China and ATG is of the view that the agreement will provide its products with great reach and exposure in the Chinese market.

ATG managing director Steven Apedaile said: "We are delighted to have reached this agreement with Huachuang, as it is a reflection of the successful joint efforts in product development between our Company and Huachuang. China is now the world's largest automotive market with sales of more than 13 million vehicles for 2009 and over 2.8 million vehicles sold over the first two months in 2010. Our agreement with Huachuang represents a major opportunity for the Company to continue to grow its brand and generate significant sales revenues in China."

Huachuang's General Manager Joe Li said: "We used to be very strong in the turbo market, but we have now divested our turbo sector assets in favour of the Sprintex® distribution opportunity in what is a rapidly expanding market for supercharger systems for the aftermarket in Greater China. We have a very strong market position in the Chinese market, and we look forward to building on that with ATG and its market leading Sprintex® Supercharger product range in the Greater China region, where we aim to become number one in the supercharger market in China."

The ATG Sprintex® Supercharger product delivers lower exhaust emissions with greater fuel efficiency and performance from automotive engines. Testing (SAE standard J1723) confirms a world class reputation for the Sprintex® Supercharger as one of the best superchargers for automotive applications. In addition, the Sprintex® Supercharger also has major applications in the industrial compressor market.

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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.

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