

8th June 2010



ASX ANNOUNCEMENT

UPDATE ON CHINESE DISTRIBUTION AGREEMENT

Australian clean automotive technology company Automotive Technology Group (ATG) (ASX: ATJ) provides the following update on its distribution agreement with Chinese automotive distribution group, Huachuang Zhenxin Automobile Technology Development Co Limited (Huachuang) for the distribution of ATG's Sprintex[®] Supercharger products in China.

ATG and Huachuang announced an exclusive agreement for the distribution of ATG's Sprintex[®] Supercharger products in China, in March this year. The agreement gave Huachuang the exclusive rights to market and sell ATG's patented low emissions, high fuel efficiency Sprintex[®] Supercharger in China, Hong Kong, Macau and Taiwan subject to Huachuang complying with certain minimum monthly purchases of Sprintex[®] Supercharger products.

Although Huachuang has placed orders with ATG for Sprintex[®] Supercharger products, these orders have not satisfied the minimum monthly purchases as required under the distribution agreement. As a result ATG has advised Huachuang that it is no longer the exclusive supplier of Sprintex[®] Supercharger products in China and certain other countries. Huachuang continues to be a distributor of Sprintex[®] Supercharger products in China and these other countries on a non-exclusive basis.

ATG Board is currently in discussions regarding further distribution arrangements for China and will provide an update to the market in this regard when required.

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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.