

ASX ANNOUNCEMENT

ATG ANNOUNCES AGREEMENT WITH LEADING INDIAN ENGINEERING GROUP

Key points

- **ATG has executed an agreement with Greaves Cotton Ltd with the intention to collaborate with each other on the development of supercharger systems using ATG's patented Sprintex[®] Supercharger products for Greaves Diesel Engines. The intended applications are effectively engine down-sizing programs, providing significant improvements in both fuel economy and exhaust emissions of CO₂ and other pollutants**
- **Greaves is one of India's largest engineering companies and is a significant producer of engines for various applications including automotive vehicles. Greaves has net annual sales of more than US\$250m and manufactures more than 200,000 diesel engines per year**
- **The agreement has the potential to pave the way for the high volume supply of Sprintex[®] Superchargers into one of the world's largest growing automotive markets**

Leading Australian clean automotive technology company Automotive Technology Group (ATG) (ASX: ATJ) is pleased to announce that it has entered into an agreement with major Indian engineering group, Greaves Cotton Ltd, with the intention to collaborate on the development of OEM supercharger engine systems using ATG's patented Sprintex[®] Supercharger products.

Under the terms of the agreement, ATG will collaborate with Greaves' engineering department to build and test Sprintex[®] Supercharger systems on Greaves' engines including a twin cylinder 1 litre diesel engine intended for small commercial utility vehicles.

Greaves is one of the largest engineering companies in India and the agreement has the potential to pave the way for the high volume supply of ATG's Sprintex[®] Supercharger products into one of the largest growing automotive markets in the world.

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.

India's automotive market is expected to reach an annual production of 2.2 million cars and sport-utility vehicles by 2014, a significant increase from 1.4 million units produced in 2009.

ATG managing director Steve Apedaile said: "The agreement with Greaves is another major step for the Company as we continue to launch the Sprintex[®] Supercharger in major global automotive markets. Greaves is a major producer of engines in India and we look forward to working closely with them to deliver fuel efficient, high performance and cost effective engines in high volumes for the Indian market."

The agreement with Greaves was entered into following the recent visit to India by ATG's managing director Steven Apedaile and business development manager Jay Upton.

The automotive sector market in India is growing at a rapid pace and represents a major future focus for the Company.

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For further information please contact:

Steven Apedaile
Managing Director
Automotive Technology Group
Ph: +61 8 9262 7277
E: stevea@atggroup.com.au

James Moses
Media and Investor Relations
Mandate Corporate
Ph: +61 420 991 574
E: james@mandatecorporate.com.au

About Automotive Technology Group (www.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.

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

About Greaves Cotton Limited (www.greavescotton.com)

Greaves Cotton Ltd was established in India in 1859 and is listed on both the Bombay and Indian National Stock Exchanges. It is a major diversified engineering group and is a significant producer of petrol and diesel engines for various applications including automotive vehicles. The Greaves Group also manufactures construction equipment, agricultural equipment and auxiliary power units.

Greaves has net annual sales of more than US\$250 million and manufactures more than 200,000 diesel engines per year for automotive and other applications.