



ASX ANNOUNCEMENT

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4 January 2007

Company Announcements Office
Australian Stock Exchange

The following announcement is issued by the company for release to the market.

ADDITIONAL A\$6 MILLION CONTRACT EXTENSIONS FROM LOCKHEED MARTIN

Adacel has received additional contract amendments totalling A\$6 million (US\$4.8 million) from Lockheed Martin to support work on key US air traffic management programs.

Under the contract amendments, Adacel will support work on the US Federal Aviation Administration's En Route Automation Modernization (ERAM) and the currently deployed Advanced Technologies and Oceanic Procedures (ATOP) programs.

Adacel has provided software support to Lockheed Martin on US ATM programs since 2001.

Additional information is included in the attached News Release.

Adacel Technologies Limited

Mike Woodgate
Company Secretary

NEWS RELEASE

Melbourne, 4 January 2007

FOR IMMEDIATE RELEASE



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ADACEL RECEIVES A\$6M CONTRACT EXTENSIONS FROM LOCKHEED MARTIN

Adacel announced today it has received additional contract amendments from Lockheed Martin to support work on the Federal Aviation Administration's EnRoute Automation Modernization (ERAM) and the currently deployed Advanced Technologies and Oceanic Procedures (ATOP) programs.

The total value of the new contractual amendments is A\$6 million (US\$4.8 million).

Both ERAM and ATOP provide foundation technologies that will support next-generation technologies used by controllers to manage the projected threefold increase in US national airspace system capacity by 2025.

FAA's ERAM program – designed and implemented by Lockheed Martin – replaces existing US en route air traffic control automation systems and infrastructure with new and enhanced safety, surveillance and decision making tools for air traffic controllers. Adacel is continuing its software development in support of its current ERAM contract. When the program reaches full deployment in 2009, ERAM will enable controllers to manage more than double the number of current flight plans, and use data from nearly three times the number of surveillance sources over the current system.

FAA's ATOP program – also designed and implemented by Lockheed Martin – is currently deployed to modernise air traffic control throughout US oceanic airspace. The program provides air traffic controllers with a set of integrated decision-making tools to potentially reduce aircraft separation standards from 100 nautical miles to 30. ATOP is currently operational at FAA centres in New York and Oakland (California). ATOP will be fully operational in Anchorage (Alaska) in 2007. Adacel will continue to provide support to Lockheed Martin for its Aurora air traffic management software as Lockheed Martin continues to maintain the ATOP program.

About Adacel

Adacel Technologies Limited is a leading developer of advanced simulation and control systems for aviation and defence. Since its establishment in 1987, Adacel has built an international reputation for its products and services through a commitment to technological leadership and customer support. From advanced simulation to air traffic management and voice recognition systems, training and professional services, Adacel's products can be found in more than 30 countries. Adacel is listed on the ASX (Code: ADA) and can be found on the Web at www.adacel.com.

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