



Adacel Technologies Limited
ABN 15 079 672 281
240 Bay Street
Brighton, Victoria 3186
Australia
t. +61 3 8530 7777
f. +61 3 9596 2960

ASX ANNOUNCEMENT

25 May 2007

Company Announcements Office
Australian Stock Exchange

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

ADACEL AGREEMENT WITH CAE OPENS UP MAJOR NEW MARKET FOR ADACEL

Adacel has signed a five-year exclusive licence agreement with CAE, a world leading provider of simulation technologies and training services, for the use of Adacel's automated air traffic simulation environment in new and recently deployed CAE full-flight simulators and flight training devices.

The agreement is a major step in launching Adacel's ATCiB (Air Traffic Control in a Box) technology into the large international pilot training market. Adacel has estimated that the market for simulated ATC environments in commercial, military and private pilot training could be up to A\$50 million over the next eight years.

Under the terms of the agreement, CAE may offer to sublicense Adacel's technology to its customers as an optional integrated feature with CAE's simulation products. The licensing agreement is valued at more than A\$1.1 million to Adacel during its first year of operation, which is expected to begin near the end of calendar year 2007.

Adacel Technologies Limited

Mike Woodgate
Company Secretary