Adacel Receives US$16Million Contract Extension From Lockheed Martin
Adacel's Air Traffic Management (ATM) division to continue to provide software support

Bethesda, MD and **Montreal, Canada** (January 9, 2004) Adacel's Air Traffic Management (ATM) division has received a contract extension from Lockheed Martin to continue providing software support for the company's air traffic management contracts and potentially other civil government contracts.

As part of the contract, Adacel will continue to provide software support to Lockheed Martin for the U.S. Federal Aviation Administration's Advanced Technologies and Oceanic Procedures (ATOP) program, a new system that will control air traffic over the U.S. oceanic airspace. Adacel supplied the core air traffic management automation software for the ATOP program, for which Lockheed Martin serves as overall systems integrator.

The contract amendment, valued at US$16.0 million, also extends Adacel's cooperation with Lockheed Martin beyond the ATOP program. Approximately half of the contract amendment value is for additional Adacel support on the ATOP program, with the remainder for software development for other Lockheed Martin programs. Work under the contract amendment is scheduled to continue through to 2006. This amendment increases the original contract from US$21 million, to the new value of up to approximately US$36 million.

"This contract amendment strengthens Adacel's relationship with Lockheed Martin, one of the world's largest suppliers of air traffic systems," said Silvio Salom, Adacel's Managing Director. "But it also signifies the possibilities of extending Adacel's relationship with Lockheed Martin into other areas requiring software applications."

About Lockheed Martin

Headquartered in Bethesda, MD, Lockheed Martin employs about 130,000 people worldwide and is principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services.

About Adacel
Redefining the way people work, learn and live – Adacel, the leading developer of simulation, voice recognition, operational air traffic management and software solutions for civil and military aviation. From advanced simulation and voice recognition systems to training and professional services, Adacel's products can be found in more than 30 countries. Through its commitment to customer support and extensive research and development, Adacel is recognized as the leader in its chosen fields of Simulation and Software solutions, Air Traffic Management (ATM) systems and Professional Services (ASG).

Adacel Inc. and Adacel Systems, Inc are subsidiaries of Adacel Technologies (ASX:ADA). For more information, please visit www.adacelinc.com.

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