ASX & Media Release

Adacel Technologies Limited
(ASX: ADA)

Melbourne, Friday 16 August 2013

- **TEAMING ARRANGEMENT WITH LOCKHEED MARTIN CORPORATION IN AUSTRALIA**
- **KEY CUSTOMER CONTRACT EXTENSIONS**
- **OPERATIONAL UPDATE**

Partnership with Lockheed Martin Corporation

The Company is pleased to announce that it is teaming with Lockheed Martin in the offer of its Skyline Enterprise™ solution for the Airservices Australia and the Australian Department of Defence oneSKY AUSTRALIA procurement. Lockheed Martin's Skyline Enterprise™, one of the world's most advanced Air Traffic Management (**ATM**) solutions, will feature capabilities that include Adacel Technologies' flight path conflict detection tool. Combined, the team's ATM solution will provide advanced airspace management and flight path monitoring capabilities.

Additional information on the Company's partnership with Lockheed Martin for this ATM solution can be found in Lockheed Martin's announcement to the New York Stock Exchange which has been posted on Lockheed Martin's website: http://www.lockheedmartin.com.au/ and is attached to this announcement.

Key Customer Contract Extensions

The Company is also pleased to announce that it has been awarded contract extensions in its ATC Simulation and Training business. These awards, under existing programs, include additional visual databases and support services with the Federal Aviation Administration and United States Air Force.

In addition, the Company's teaming relationship with Italy's aviation regulator, ENAV, continued to strengthen as contracts for system upgrades and onsite support services were also secured.

The combined value of these contract extensions is in excess of US$10m and provides further strength to the Company's order book for FY2014 and beyond.

Operational Update

The Company is currently in the process of completing its FY2013 financial audit. Based on unaudited results, the Company anticipates that profit before tax for FY2013 will be approximately $0.9m. This result has been affected by the late award of a number of key contract extensions, as referred to above, is preliminary in nature and subject to finalisation by the Company and audit sign off. The Company's preliminary financial results for FY2013 are scheduled for release to the market on or around 26 August 2013, with the full year audited results expected to be released on or around 25 September 2013.

-Ends

For further information, contact:
Sophie Karzis
Company Secretary
+61 (0) 3 9286 7501
sk@ccounsel.com.au

LOCKHEED MARTIN

News Release

LOCKHEED MARTIN WELCOMES TEAMMATES FOR *ONESKY AUSTRALIA* AIR TRAFFIC MANAGEMENT SOLUTION

CANBERRA, Australia, July 29, 2013 – Lockheed Martin [NYSE: LMT] will team with four leading air traffic management (ATM) technology providers to offer its Skyline Enterprise™ solution for the Airservices Australia and Australian Department of Defence *oneSKY AUSTRALIA* procurement. Together, the team's capabilities offer an enhanced air transportation network for all Australians.

The teammates joining Lockheed Martin Australia Pty Ltd on its *oneSKY AUSTRALIA* solution include Australian-based partners Adacel Technologies Limited; Daronmont Technologies; and Frequentis Australasia Pty Ltd. In addition, Airbus ProSky with subsidiary, Metron Aviation, will join the team.

Skyline Enterprise, one of the world's most advanced ATM solutions, will feature capabilities that include Adacel Technologies' flight path conflict detection tool and Frequentis Australasia's voice communications and integrated tower products. Daronmont Technologies, a small-medium enterprise will provide extensive experience in engineering and deployment of complex systems to the Department of Defence. Metron Aviation is the current provider of Australia's advanced air traffic flow management (ATFM) system, and their knowledge and skills will ensure the solution optimises airspace and airport resources.

Combined, the team's solution will provide Australians with more on-time departures and arrivals, improving their air travel experience. Additional benefits of the Skyline Enterprise solution include more efficient gate-to-gate ATFM; harmonised civil-military operations that ensure defence readiness; and more secure skies through advanced airspace management and flight path monitoring capabilities.

"Lockheed Martin's solution for the *oneSKY AUSTRALIA* requirement offers a new era of enhanced travel, air safety and more efficient commerce for all Australians," said Raydon Gates, chief executive of Lockheed Martin Australia Pty Ltd. "Our team's Australian expertise combined with our next generation air traffic management technology and complex systems integration capabilities will also help the economy through reduced carbon emissions and best-value operating costs."

Headquartered in Bethesda, Md., Lockheed Martin is a global security and aerospace company that employs about 116,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products, and services. The Corporation's net sales for 2012 were $47.2 billion. Lockheed Martin Australia is a wholly-own subsidiary of the Corporation and employs over 750 people Australia wide. Turnover in 2012 exceeded A$200 million.

###

Media Contacts:

Australia: Trevor Thomas, trevor.j.thomas@lmco.com, +61 2 6269 0101
United States: Jack Robling, jack.robling@lmco.com, +1 (571) 383-4869

For additional information, visit our website: http://www.lockheedmartin.com.au/