

ASX RELEASE

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Chairman's Address

Dear Shareholders,

Thank you for your attendance today at this Annual General Meeting of Advanced Braking Technology. During the last financial year Advanced Braking Technology made substantial progress in stabilising its financial performance whilst simultaneously pursuing opportunities that have resulted in product, customer and industry diversification. A key contributing factor in achieving this was the shift from being a product provider to working closer with customers and providing innovative safety solutions.

At the beginning of the financial year the Board undertook an organisational review to ensure the appropriate resources were in place to implement the Company's strategy, to drive cultural change, and to identify cost saving initiatives with the view of returning the Company to a break-even position at the earliest opportunity. In particular, during the second half of the financial year we made excellent progress towards achieving this goal.

The new executive team, led by Chief Executive Officer John Annand, is now based at our Perth premises. Under John's leadership, the team has been given the ability to solve problems and to sell solutions, not just products. Collaboration and communications at all levels of the business are greatly improved.

The Board and Executive team have been working together to improve internal processes in all areas of business, resulting in better supply chain and inventory management as well as improved and transparent financial management.

A new sales strategy was implemented, which is providing the Company with much greater market intelligence, particularly in regard to the domestic mining market, which we believe is still largely untapped. Resulting from this strategic initiative we have seen an improved and steady sales performance of both Failsafe and Failsafe Emergency Driveline Brakes, our core products.

ABT's product and industry diversification strategy also gained traction by supplying products and design solutions to the Defence, Waste Management and Civil Construction industries. The Company increased its international footprint with new mining clients in Mongolia and Chile. And, the Company recently took an order to provide brake solutions to Antarctica, which results in our products now being used in all seven continents around the world.

Substantial effort has been placed into enhancing our engineering capability whilst at the same time being commercially focused. The team now follows a disciplined engineering approach and developed a controlled release to market strategy. This is demonstrated by the successful release of the enhanced Terra Dura brake following an extensive design review and rigorous testing of this product within extremely harsh operating conditions that replicated those found on mine sites.

Throughout the year the Company has focused on exploiting our existing product range, utilising historical R&D and innovative product development based on safety, the environment and, most importantly, the voice of our customers. In addition, the Company is actively identifying strategic

partners and M&A opportunities that will bring complementary capabilities to ABT and which will significantly upscale the business.

The Board acknowledges the efforts of our employees and thank them for their dedication to the Company. The Board and I, are looking forward to supporting our team, led by John Annand in our pursuit of long-term value creation for all our shareholders.

And, thank you to you for your continued support of Advanced Braking Technology.

Dagmar Parsons

Chairman