

ASX/MEDIA RELEASE

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Business Update

- Over 2,000 hours of testing completed for new SIBS[®] garbage truck brakes
- SIBS[®] II upgrades being rolled out across product range for mining vehicles
- Strong cash position following capital raising

Advanced Braking Technology Ltd (ASX:ABV) ("**ABT**" or **Company**"), today provided a business update on its various activities.

SIBS[®] Garbage Truck Brake Production Program

Over 2,000 hours of testing has now been completed for a range of trucks fitted with the new SIBS[®] braking system. All testing to date has confirmed the prime value proposition of the new braking system, namely, significantly extended brake service intervals. Therefore ABT's award winning, fully patented SIBS[®] braking system is not only safer, it also leads to major cost savings.

On average, waste companies in Australia replace their garbage truck brakes two to three times per annum. In extreme conditions this is as often as every six weeks. ABT's test data, including testing at a local authority, is indicating that this service interval can be extended to beyond 2 years. Four trucks are currently fitted with the SIBS[®] garbage truck brake system and further conversions are scheduled in the coming month. One truck has now achieved the mid-point of the planned 1,500 hours of testing and a second has passed 500 hours.

Other significant benefits demonstrated in testing have been the complete absence of any dust emissions from the brake, the complete lack of brake squeal that is a common trait of garbage trucks and a noticeable reduction of random wheel skidding, resulting in a reduction in tyre wear.

With a formal production decision scheduled for July 2012, certain long lead time production tooling has already been committed to. Further purchase orders will be issued after July, in preparation for commercial sales.

Other Development Activity (Mining Products)

An upgraded version of the SIBS[®] braking system for Toyota Landcruisers was introduced to customers in December 2010. This product was named SIBS[®] II and incorporated a range of product improvements. Field experience with over 500 vehicle sets now in service has been very positive. Installation and servicing can be achieved in less time and service intervals are being extended.

The features of SIBS[®] II are being carried across to other products. The Toyota Hilux version has been developed and the first sales of this product have taken place. The Hilux version of SIBS[®] II incorporates some additional features and options that will also be available in the Landcruiser and other product variants.

In response to customer requests, there have been additional variants of the SIBS[®] driveline or "AGI Brake" developed with continued installations on concrete trucks, explosives carrying trucks and other special mine vehicles.

Mining Sales Activity

As previously reported, mining sales for the 9 months ending 31 March 2012 were 17% ahead of the prior corresponding period. Sales in April and May have been somewhat softer than the prior period for reasons outside the Company's control. These reasons include a restricted availability of new Landcruisers through the dealer network and weaker nickel prices impacting on the purchasing patterns of long standing customers. The fluctuating nature of mining sales makes it difficult to provide any accurate guidance even with a few weeks of trading left this financial year. The Company's inventory of finished goods is sufficient to meet a late surge in orders if this occurs.

The recent appointment of two additional sales staff will assist in maintaining the sales growth in the balance of this year and into next financial year. Sales prospects in export markets continue to grow. Near term sales in the Hunter and Bowen regions are building with a number of customers indicating site wide adoption of the SIBS[®] product. On the West coast, while nickel prices have dampened sales in that segment, opportunities in the gold and iron ore segments continue to build.

The award winning SIBS[®] braking system offers unparalleled safety and cost savings and is now the braking system of choice on many Australian mine sites. ABT is well positioned to capture sales in the expanding resource sector and is exploring means to gain greater penetration in export markets.

Legal Matters

The Company had previously disclosed that it was defending two legal claims against it. The first of these by a company associated with a former underwriter to ABT was dismissed in the WA District Court on 20th April 2012 following being on the Inactive Cases List for 6 continuous months.

The second matter is where a former Chairman of the Board of the Company is seeking to recover \$300,000 together with interest and costs from the Company which he alleges he loaned to the Company in 2003. The Company denies that monies were loaned and that shares were issued to the former Chairman in consideration for the \$300,000.

The matter was heard in the District Court of New South Wales during the week of 21st May 2012 and adjourned until 13th August 2012 at which time final submissions from both parties will be made. The Company remains confident of an outcome favourable to the Company

Financial Update

ABT has a strong cash position following the recent capital raising of \$2.4 million (of which 12% was committed by Company directors) and a low level of operational debt, the majority of which is for leased equipment. The Company also has access to a further \$990,000 of Commonwealth grant funds to commercialise the SIBS[®] garbage truck product and will benefit from a 45% cash rebate for eligible R&D expenditure.

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About Advanced Braking Technology Ltd

Advanced Braking Technology Ltd (ASX: ABV) develops innovative braking systems, with its main product being the Sealed Integrated Braking System (SIBS[®]), a comprehensively patented Australian invention, now used widely in light commercial vehicles in the mining industry.

SIBS[®] is a fully enclosed, single rotor, high speed wet brake. The brake rotor runs in a bath of oil that serves to cool the brake and minimise wear. An innovative fail safe feature is incorporated into the rear axle brake. As a result, the brakes are virtually wear and maintenance-free and may outlast the vehicles they are fitted to, unlike conventional drum and disc brakes. SIBS[®] brakes deliver better safety, improved productivity and lower operating costs, and are engineered to survive the harshest conditions. The proven technology is environmentally friendly, eliminating brake dust emissions and noise and squealing, and provides benefits for on-road, off-road and industrial applications in terms of safety, reliability, performance and adaptability.

Following the success of the product in the mining sector, the Company has branched into the waste disposal sector, developing the SIBS[®] technology into an innovative garbage truck braking system. After four years of development, the project is now in its final testing phase before commercialisation of the product.

Based in Perth, Western Australia, Advanced Braking has a manufacturing plant in Thailand, worldwide patents on its technology and an extensive reseller network.