

ASX RELEASE

2nd May 2013

ADVANCED BRAKING TECHNOLOGY – UPDATE ON LEGAL MATTER

Advanced Braking Technology Ltd (ASX:ABV) announced on 28th November 2012 that on the 22nd November 2012 that the parties MSPR Pty Ltd and Phyro Holdings Pty Ltd (Appellants) filed a Notice of Appeal issued out of the Supreme Court of New South Wales, Court of Appeal dealing with an action the Company had successfully defended in the NSW District Court in 2012.

The proceedings dealt with an allegation that a Mr Roger Cowan had loaned \$300,000 to the Company in 2003 and that this money had not been repaid. The action was taken by two companies associated with Mr Cowan, MSPR Pty Ltd and Phyro Holdings Pty Ltd and a decision handed down on 22nd August 2012 found in favour of the Company and costs were awarded in favour of Advanced Braking Technology Ltd

Advanced Braking Technology's position is that the funds received by the Company were related to the subscription for shares arising out of a fully underwritten rights issue in 2003 and that they were not a loan and were never recorded as such in the Company's accounts.

The Company had previously advised that the first step in the appeal process, that could take 6 to 9 months to be determined, was to be a directions hearing listed for 6th February 2013.

After successive delays the Appellants lodged their submissions on the 18th April 2013. Consent orders issued yesterday require the Company to file its response by 17th May 2013 and a directions hearing is now listed for the 22nd May 2013.

The Appellants have agreed to the provision of a \$100,950 security amount to cover the Company's costs in the event the appeal is unsuccessful. The Company is seeking further security for costs.

Following a review of the Appellants' submissions the Company and its legal advisors remain confident of a successful outcome to this matter and the recovery of costs.

For further information contact:

Ken Johnsen

CEO – Advanced Braking Technology Ltd

Ph – 08 9273 4800