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**ADACEL TECHNOLOGIES LIMITED
(ASX:ADA)**

ASX ANNOUNCEMENT

1 July 2008

The following announcement is issued by the company for release to the market.

ADACEL TO CONTINUE ON-MARKET SHARE BUY-BACK PROGRAM

Adacel Technologies Limited is today announcing that it intends to conduct a new on-market share buy-back during the period from 15 July 2008 to 1 July 2009.

On 30 June 2008, the Company completed its previous on-market share buy-back which was announced to the market on 16 August 2007. Following that on-market share buy-back, the number of ordinary shares of the Company on issue now is 83,829,378 shares.

The maximum number of shares which the Company proposes to acquire under the on-market buy-back is 8,382,937 shares, being 10% of the lowest number of ordinary shares on issue during the previous 12 months. Accordingly, the on-market buy-back will not require shareholder approval.

Under the Corporations Act, the earliest date that the Company will be permitted to buy-back any share on market is Tuesday, 15 July 2008, being 14 days from the date of this announcement.

The buy-back accords with Adacel's long term capital management programme. The objectives of the on-market share buy-back are to increase earnings per share and Adacel's return on equity. The buy-back programme will also result in the return of excess capital to shareholders in an efficient manner. The company proposes to fund the share-buy-back from cash reserves.

Adacel has discussed the proposed on-market buy-back with each of its 3 substantial holders, namely, Thorney Holdings Pty Ltd, Silvio Salom and David Wallace Smith.

Each of those shareholders has indicated to the Company that it is not their present intention to sell any shares through ASX during the period of this buy-back. Accordingly, each of them does not currently intend to participate in the on-market share buy-back.

Assuming that the Company acquires all of the 8,382,937 shares and none of the substantial holders sells any shares through the buy-back, the impact of the buy-back on their percentage shareholdings in Adacel is summarised in the following table:

Name of holder	At the date of this announcement	After the buy-back
Thorney Holdings Pty Ltd	39.03%	41.29%
Silvio Salom	17.29%	18.29%
David Wallace Smith	12.00%	12.70%
Total	68.32%	72.28%

Adacel Technologies Limited

Sophie Karzis

Company Secretary