ASX ANNOUNCEMENT

23 April 2007

Company Announcements Office
Australian Stock Exchange

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

FURTHER A$4.9 MILLION CONTRACT EXTENSIONS FROM LOCKHEED MARTIN

Adacel has received further contract amendments totalling A$4.9 million (US$4.1 million) from Lockheed Martin to support work on key US air traffic management programs. These are additional to the contract extensions announced in January 2007.

Under the contract amendments, Adacel will support work on the US Federal Aviation Administration’s En Route Automation Modernization (ERAM) and the currently deployed Advanced Technologies and Oceanic Procedures (ATOP) programs.

Adacel has provided software support to Lockheed Martin on US ATM programs since 2001.

Additional information is included in the attached News Release.

Adacel Technologies Limited

Mike Woodgate
Company Secretary
**NEWS RELEASE**

Melbourne, 23 April 2007

FOR IMMEDIATE RELEASE

ADACELER RECEIVES A$4.9M CONTRACT EXTENSIONS FROM LOCKHEED MARTIN

Adacel announced today it has received further contract amendments from Lockheed Martin to continue its support of the Federal Aviation Administration’s Advanced Technologies and Oceanic Procedures (ATOP) and En Route Automation Modernization (ERAM) programs.

The total value of the new contractual amendments is A$4.9 million (US$4.1 million). These amendments are additional to the contract extensions announced in January.

Both ATOP and ERAM provide foundation technologies that will support next-generation technologies used by controllers to manage the projected threefold increase in national airspace system capacity by 2025.

FAA’s ATOP program, designed and implemented by Lockheed Martin, is currently deployed to modernize air traffic control throughout US oceanic airspace. The program provides air traffic controllers with a set of integrated decision-making tools to reduce aircraft separation standards from 100 nautical miles to 30. Adacel will continue to provide support to Lockheed Martin for its Aurora air traffic management software as Lockheed Martin continues to maintain the ATOP program.

FAA’s ERAM program, also designed and implemented by Lockheed Martin, replaces existing US en route air traffic control automation systems and infrastructure with new and enhanced safety, surveillance and decision-making tools for air traffic controllers. Adacel is continuing its software support of its current ERAM contract. When the program reaches full deployment in 2009, ERAM will enable controllers to manage more than double the number of current flight plans, and use data from nearly three times the number of surveillance sources over the current system.

About Adacel
Adacel Technologies Limited is a leading developer of advanced simulation and control systems for aviation and defence. Since its establishment in 1987, Adacel has built an international reputation for its products and services through a commitment to technological leadership and customer support. From advanced simulation to air traffic management and voice recognition systems, training and professional services, Adacel’s products can be found in more than 30 countries. Adacel is listed on the ASX (Code: ADA) and can be found on the Web at [www.adacel.com](http://www.adacel.com).

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