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

**ADACEL AGREEMENT WITH CAE OPENS UP MAJOR NEW MARKET FOR ADACEL**

Adacel has signed a five-year exclusive licence agreement with CAE, a world leading provider of simulation technologies and training services, for the use of Adacel’s automated air traffic simulation environment in new and recently deployed CAE full-flight simulators and flight training devices.

The agreement is a major step in launching Adacel’s ATCiB (Air Traffic Control in a Box) technology into the large international pilot training market. Adacel has estimated that the market for simulated ATC environments in commercial, military and private pilot training could be up to A$50 million over the next eight years.

Under the terms of the agreement, CAE may offer to sublicense Adacel’s technology to its customers as an optional integrated feature with CAE’s simulation products. The licensing agreement is valued at more than A$1.1 million to Adacel during its first year of operation, which is expected to begin near the end of calendar year 2007.

*Adacel Technologies Limited*

Mike Woodgate
*Company Secretary*