



14 ENERGY STREET  
PO BOX 3126  
MALAGA 6090  
WESTERN AUSTRALIA

TEL: +61 8 9209 6900  
FAX: +61 8 9209 6999

Company Announcements Office  
The Australian Stock Exchange Limited  
By: e-lodgement (ASX code ACE)

30 April 2008

## March 2008 - Quarterly Activities Summary

The international momentum for Advanced Engine Components Ltd ("ACE") sales of patented natural gas vehicle systems ("NGVS"); spare parts and consumables; and completed compressed natural gas ("CNG") and liquefied natural gas ("LNG") engines continued in the March 2008 quarter.

For the nine months to 31 March 2008 ACE's sales approximate total sales for the 12 months to 30 June 2007. Directors expect sales for the full FY2008 to exceed FY2007 sales by at least 50%.

With recurring increased sales ACE recorded cash receipts from customers of \$1,244,000 for the March 2008 quarter. At this level of sales ACE has achieved its lowest quarterly outflow of net operating cash flows since December 2005.

To March 2008 cash receipts from customers exceed March 2007 year to date receipts by 80%. Operating cash outflows also improved 40% on the 2007 comparative period.

Throughout the quarter, ACE had trials underway with 20 different groups in **China** that own and/or operate large fleets of heavy duty vehicles. The trials are at a variety of stages including commissioning, completed, evaluating, reporting and discussion of terms. All trials continue to provide ACE and its customers with demonstrable proof that the ACE NGVS is second to none in terms of cost, service and performance.

ACE has a similar number of trials underway in **Thailand**. The results are very positive and future orders are imminent. The Thai Government is supportive of NG as the fuel of choice and has legislated accordingly. The single inhibiting factor is the availability of finance to assist vehicle operators with the conversion cost and/or cost of new NG vehicles. ACE, in conjunction with a number of Thai parties, is addressing mechanism's to overcome this hurdle.

Developments and trials for **Indonesia, India, Korea, Malaysia** and **Australia** remained active during the March 2008 quarter.

As a result of the above, the Company expects orders for over 1,000 NGVS kits or engines during the June 2008 quarter. Once delivered, the number of ACE NGVS in service will have more than doubled.

Sales of spares and consumables to **France** and **Australia** also continued during the quarter. With the doubling of ACE NGVS in service, all requiring regular spares and consumables, this revenue sector will grow exponentially.

**For further information contact Tony Middleton, Managing Director, on +618 9209 6900; or email [shares@advancedengine.com](mailto:shares@advancedengine.com)**

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

ADVANCED ENGINE COMPONENTS LIMITED

ABN

67 009 081 770

Quarter ended ("current quarter")

31 Mar 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	1,244	2,625
1.2 Payments for		
(a) staff costs	(376)	(831)
(b) advertising and marketing	(49)	(113)
(c) research and development	(81)	(346)
(d) leased assets	-	-
(e) other working capital	(1,061)	(2,669)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	17
1.5 Interest and other costs of finance paid	(20)	(181)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(336)</b>	<b>(1,498)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(336)	(1,498)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	(70)
(c) intellectual property	-	-
(d) physical non-current assets	(12)	(17)
(e) other non-current assets	(173)	(678)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	(185)	(765)
<b>1.14 Total operating and investing cash flows</b>	(521)	(2,263)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	3	2,297
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings (item 3.3)	-	1,000
1.18 Repayment of borrowings	(64)	(1,284)
1.19 Dividends paid	-	-
1.20 Costs associated with issue of shares	(31)	(68)
<b>Net financing cash flows</b>	(92)	1,945
<b>Net increase (decrease) in cash held</b>	(613)	(318)
1.21 Cash at beginning of quarter/year to date	906	611
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	293	293

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	47
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Salary payments to the executive director of the Company of \$47,000.	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- N/A
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
- N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

---

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

---

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	293	776
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (Our lawyer received the amount from CRMT on 5 <sup>th</sup> Dec 2007)	-	130
<b>Total: cash at end of quarter</b> (item 1.23)		293	906


**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

**Compliance statement**

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

  
 .....  
 Managing Director

Date: 30 April 2008

Print name: Antony Middleton

---

+ See chapter 19 for defined terms.

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

---

+ See chapter 19 for defined terms.