

ASX ANNOUNCEMENT

26 June 2009

Company Announcements Office
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sirs

CONVERTIBLE NOTE FUNDRAISING

The Company advises that it has secured a funding arrangement for \$5.5m through a 12 month Convertible Note at 10% per annum interest complete with an option of extending for a further 12 months at the discretion of the Financier.

The funds raised by the Convertible Note will be used primarily for the purchase of essential materials and parts to fulfil sales orders and production; capital expenditure to expand the Company's production facilities and general working capital.

The principal terms of the Convertible Note are as follows:

1. Conversion to be at 80% of the VWAP for the twenty trading days prior to conversion (excluding days on which ATJ shares do not trade).
2. The Company will be required to convene a general meeting to seek shareholder approval for the issue of this Convertible Note.
3. By way of loan security the Company is required to provide a charge over the Company's real assets.
4. Funds to be granted in 3 tranches:
 - \$2,500,000.00 – during the week proceeding 31 July 2009
 - \$2,000,000.00 – on or before 1 October 2009
 - \$1,000,000.00 – on or before 1 December 2009
5. A first right of refusal option for all future funding requirements of the Company.
6. The financier has the right to nominate an approved representative to the Board of Directors of the Company.

Prema Capital Limited Sydney in conjunction with Lion Advantage Limited, have managed and arranged the funding at commercial commission rates. The Company will also issue 10 million unlisted \$0.10 three year options. The Directors believe the terms of the raising are considered to be attractive for the Company, particularly in the current market and the prevailing economic environment.

By Order of the Board

Steve Apedaile
Executive Director – Corporate

ENDS

For further information please contact;

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About Automotive Technology Group

Automotive Technology Group Limited (ATG) listed on the ASX in May 2008.

ATG is the designer and manufacturer of the patented low emissions, high fuel efficiency Sprintex® supercharger product range. The Company's vision is to be a leading developer and manufacturer of innovative green automotive technologies to the world market, in particular in the manufacturer of superchargers.

ATG also manufactures and supplies Vee Two specialist and performance parts for all Ducati and certain models of Harley-Davidson motorcycles.

The Company operates from a specialist research and development facility in Perth, Western Australia.

Visit ATGgroup.com.au for more information.