

ASX ANNOUNCEMENT

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16 January 2006

Company Announcements Office Australian Stock Exchange

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

A\$5 MILLION ITALIAN ATC SIMULATION CONTRACT

Italian air traffic authority, ENAV (Ente Nazionale de Assistenza Al Volo) has awarded Adacel a contract valued at approximately A\$5 million (more than €3 million) for Air Traffic Control simulators. The simulators are being acquired as an option under a contract announced in August last year with ENAV.

The new MiniMax Part Task Tower simulators will enable ENAV to establish the largest civilian Air Traffic Control training facility in Europe.

Adacel's new MiniMax Tower simulator is a high fidelity, affordable, portable and scalable 3D tower simulator that capitalises on the core technology and software features of the state-of-art MaxSim® ATC simulator, including Adacel's industry-leading voice recognition technology.

Further information is included in the attached News Release

Adacel Technologies Limited

Michael Smith

Company Secretary

ASX 601 ENAV f.doc www.adacel.com

NEWS RELEASE

Melbourne, 16 January 2006



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The simulators are being acquired as an option under a contract announced in August last year with ENAV.

The new Minimax simulators will be deployed in conjunction with ENAV's 6 existing MaxSim® 270-degree Air Traffic Control simulators currently in use at their Forli, Italy facility. The MiniMax simulators employ the industry-leading MaxSim® voice recognition system and will also include the latest European ICAO upgraded phraseology.

"We are pleased that ENAV has looked to Adacel to expand their air traffic simulation and training facilities," said Adacel's Managing Director, Silvio Salom. "By expanding their training facilities with our latest simulation tools, ENAV continues their leadership in European Air Traffic Management and Training."

The MiniMax Tower is Adacel's high fidelity, realistic airport simulator which capitalizes on the core technology and software features of its state-of-art MaxSim® ATC simulator. Adacel offers a full spectrum of air traffic control training solutions with the MiniMax providing the user with an affordable, portable and scalable 3D tower simulator.

Adacel is the leading provider of air traffic control training simulators worldwide. Adacel's radar and visual control tower training products are used by: ENAV, NASA, the U.S. Air Force, Army and Marine Corps, the Federal Aviation Administration as well as air navigation service providers around the world.

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.

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