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Adacel Receives US\$4.8M in Contract Extensions From Lockheed Martin

Adacel to Continue Software Support for Industry Leader

Orlando, Florida (December 27, 2006) - Adacel, an industry leader in software integration, simulation development and speech recognition technology, announced today it has received additional contract amendments from Lockheed Martin to support work on the Federal Aviation Administration's (FAA) EnRoute Automation Modernization (ERAM) and the currently deployed Advanced Technologies and Oceanic Procedures (ATOP) programs.

The total value of the new contractual amendments is US\$4.8 million.

Both ERAM and ATOP 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.

"Adacel is extremely proud to continue to support Lockheed Martin's initiatives to integrate and modernize FAA's air traffic management systems," Adacel's North America CEO Fred Sheldon said. "We have worked diligently to contribute to the success of these critical programs that enhance the efficiency of US and international air space operations."

FAA's ERAM program – 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 development in 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.

FAA's ATOP program – also 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 potentially reduce aircraft separation standards from 100 nautical miles to 30. ATOP is currently operational at FAA centers in New York, NY and Oakland, CA. ATOP will be fully operational in Anchorage, AK in 2007. 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.

About Adacel

Adacel (ASX: ADA) is a global software technology and systems integrator. The company is a leading developer of critical aviation, speech recognition, and defense simulation and security systems for government and commercial enterprises. Support services are available for all products including full-time, on-site operation and maintenance.

Adacel was established in 1987. The company's products can be found in more than 30 countries. Adacel's North American operations are headquartered in Orlando, Florida and have offices in Washington, D.C., Montreal Canada, and Melbourne, Australia.

For more information visit the company's website at www.adacel.com

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