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DIRECTORS ANNOUNCEMENT – 06 August 2008

Since the highly successful independent testing results were achieved earlier this year at Orbital Australia, the Directors have been working on a commercialisation strategy to progress our engine technology into mass production into the automotive market. We have been focusing on China as it is the most dynamic and expanding manufacturing hub for the world's car manufacturers, due to low manufacturing costs, and possessing the largest emerging domestic market.

The Directors are pleased to announce the signing of an agreement with a Chinese Group with close connections with key Chinese Car companies, and a leading German University to commence a testing and development program, to develop an engine model for the Chinese automotive industry.

Upon the satisfactory conclusion of the test and development program, we are assured that at least two of China's largest car companies will join with the Company to jointly develop an automotive production engine for their specific use. The Chinese Group has already demonstrated its ability to achieve results, by introducing Revetec to a number of the largest Chinese car companies during our last visit to China, resulting in a Memorandum of Understanding with a Chinese car manufacturer.

Additionally the Chinese Group with its strong European connections was instrumental in introducing and negotiating heavily discounted fees on behalf of the Company with the German University, for carrying out the necessary work. With the strong European ties, we are also confident that upon the successful completion of the above project, Revetec will also have exposure to the European Car companies.

The Chinese Group also agreed to provide services and initiate projects with Chinese car companies, and will provide funding up to AUD\$350,000 for the project by purchasing equity in Revetec at AUD\$0.01 per share. The Directors evaluated the level of the Group's services, skill and industry network, and have ascertained that they are a very valuable asset to the Company's future.

The Directors are also pleased to announce the signing of an agreement with a leading German University to carry out the testing, analysis and reports. The Directors have been in contact with the Doctors/Professors/Staff and are pleased with the project tasks and schedules. The University has performed testing and development for many major European and Japanese car/engine manufacturers. The Chinese Group's and German University's identities are currently confidential for commercial reasons.

Over the coming months I will be working with the German University during benchmark testing, and development on our engine. The engine will be then fully analysed, while computer simulation of various modern automotive top ends, will be carried out concurrently.

I confirm that I have spoken to the University's Senior Professor recently, and he was very impressed with the independent test results achieved at Orbital earlier this year, and is excited to be working on this project. I am equally impressed with the University's facility, staff knowledge, past client base and ability to complete the tasks to the required standards.

The signing of the above mentioned agreements is a positive and progressive step towards mass production of our very efficient engine technology.

Issued 6th August 2008

A handwritten signature in black ink, appearing to read 'Brad Howell-Smith', with a stylized flourish at the end.

Brad Howell-Smith
Managing Director