



## Media Release

04 November 2005

For immediate release

### Wellington Capital Raising

The Directors of Wellington Drive Technologies Ltd announce that:

- Today agreement has been reached to place 4.20 million shares to Norwood Investments Ltd, raising \$1.4m; and
- A 1 for 4 renounceable rights issue (the Offer) of ordinary shares at \$0.10 per share is proposed to be made to shareholders resident in New Zealand and Australia.

Orders and deliveries have increased substantially over the past 12 months and are expected to continue to grow. In addition, several Wellington-based products are in production, or at advanced states of development at licensees of the Company. The funds raised will be used to continue the commercialization of our efficient, energy saving electric motor technology and to expand the markets we service.

The prevailing high cost of energy is believed to be the greatest market driver for Wellington's products currently and interest from customers and potential customers in energy saving motors continues to increase. This, combined with Wellington offering affordable solutions, often for the first time in the customer's experience, is resulting in strong and growing interest in Wellington's products and technologies.

Wellington now has several product lines that are being sold in substantial numbers. The performance of these products in service is excellent. Therefore, for the first time the Company has products that are fully commercial and have a proven track record in the marketplace.

Wellington also licenses its technology to other companies and Wellington-based products in production are now beginning to generate royalties, albeit modest at this stage. Additional products are expected to enter production at two of our other licensees over the coming months and a number of others are at varying stages of development.

There is currently good, and growing, demand for licensing of our technologies and we expect to see this activity provide good returns through engineering fees, license fees and royalties over the medium term, as well as from supply of components to licensees. This interest is beginning to expand to cover not only motor-related components, but also other components, as customers look to reduce the number of suppliers and become more comfortable with buying from Wellington.

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We are currently targeting the premium segments of appliance markets. Notwithstanding these market segments being large in their own right, several recent advances by our development team give us confidence that we will be able to produce high efficiency motors at prices that will be competitive in even higher volume mass-market applications.

Under the terms of the Offer, shareholders on the register as at 5pm on 18 November 2005 will have the right to acquire one new share for every four shares they hold, at an issue price of \$0.10 per share. The offer document will be posted to shareholders on or before 22 November 2005 and the offer will close at 5.00 pm on 16 December 2005. Application will be made to the NZX to list the rights and the new shares. If listing is granted shareholders who do not wish to take up their entitlements will be able to trade their rights on the NZSX from 21 November 2005 until the close of trading on 14 December 2005. Entitlements not taken up or renounced by that time will lapse. It is anticipated that the new shares will begin trading on the NZSX by 23 December 2005.

The Offer will not be underwritten but, if approved by the NZX, will have an “over allotment” facility. Directors have chosen not to seek underwriting in order to save avoidable costs. An over allotment facility allows for shareholders to apply for extra rights over and above their entitlement. Any initial shortfall in the issue will be divided up between those who apply for additional shares in direct proportion to the number of shares held as at the record date for entitlements.

All Directors holding shares and all interests associated with Directors that hold shares have indicated that they will be taking up their full entitlement to new shares under the Offer. Those entitlements represent approximately 19% of the total number of new shares to be offered.

For further information visit [www.wdtl.com](http://www.wdtl.com) or contact:

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