16 April 2007

Media Release

For Immediate Release

Wellington Capital Raising

The Directors of Wellington Drive Technologies Ltd announce that a 1 for 3 renounceable rights issue (the "Offer") of ordinary shares at $0.10 per share will be made to shareholders resident in New Zealand and Australia.

The Offer is pursuant to the announcement of 28 November 2006 and the details of the half year results published on 1 March 2007.

The funds raised in this Offer will enable the Company to continue to execute its acceleration plan as outlined in prior announcements.

According to our plan, investments are being made in the expansion of the international sales footprint. An objective is to improve revenue growth rates through the addition of Sales Engineering positions to support customers in international markets. The sales team is targeted to increase to 24 by end June 2007, up from 14 at 31 December 2006 and four new appointments have already been made. Leases on new sales facilities in Turkey and Italy have been accepted in the last three months, and we are in the search process for locations in The Netherlands and the mid-western United States. Modest additions to distribution capacity are also being made near major international customers and prospects.

Enhancements are also being made to the engineering facilities in New Zealand, specifically to the rapid prototyping capability to reduce the time to bring special designs for customers to market, while also improving the revenue generating capability of the existing engineering team. Installation of these facilities is well advanced, with new equipment commissioned progressively since January 2007 and modifications to the existing Auckland facilities due for completion by end April 2007. Customer projects, particularly those announced this calendar year, have already benefited from these investments and have been completed more quickly than in the past.

Good progress has been made on the Company's product cost reduction initiatives. Our investments in manufacturing efficiency, product sourcing and supply chain management delivered good improvements to the gross margin line in the first quarter of calendar 2007, and the process is continuing. The Company has established a Design for Manufacturing and Assembly ('DFMA') team based in Singapore and Auckland to implement manufacturing and supply chain best practice in this area. Part of the DFMA initiative has been the creation of two new positions based in Singapore (which have been filled) to work directly with the development and manufacturing teams and the Company's contract manufacturing partners, primarily in the Asian region.

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We have announced increased order activity and an expanding "Total Integration" (customer project) pipeline so far this calendar year; the board and management expect this improving trend to continue for the foreseeable future.

Of note, the markets for clean energy-efficient generation, renewable-energy products, such as wind turbines, and for alternative fuels (biomass and ethanol) continue to gather momentum. However, there is a growing appreciation that the introduction of energy-efficiency measures and technologies may be a quicker route to reducing energy consumption and hence CO_2 emissions. The recent report of the UN International Panel on Climate Change, for example, has given greater impetus to the development of governmental policies to achieve this. The Company is tracking such policy initiatives internationally and is closely following the development of the New Zealand Government's new energy strategy.

Under the terms of the Offer, shareholders on the register as at 5pm on 18 May 2007 will have the right to acquire one new share for every three shares they hold, at an issue price of $0.10 per share. The offer document will be posted to shareholders on or before 25 May 2007 and the offer will close at 5.00 pm on 22 June 2007. Application will be made to the NZX to list the rights and the new shares. It is anticipated that the new shares will begin trading on the NZSX on 2 July 2007.

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. Past rights issues have enjoyed high take up levels, together with strong demand for any rights entitlements not taken up.

For further information visit www.wdtl.com or contact:

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About Wellington Drive Technologies Ltd
Wellington's innovative energy saving fractional horse power electric motors allow customers to economically buy high-efficiency motors – significantly reducing electricity consumption and saving money. Wellington's Total Integration engineering service offers appliance manufacturers economic mass-customization of Wellington's high efficiency designs – giving access to superior electricity-saving performance at costs comparable to low-efficiency commodity motors. The environmental impact of the potential electricity savings through the introduction of Wellington motors is also significant on a national scale, particularly in Northern Hemisphere countries where the majority of electricity generation is from coal-fired power stations. Wellington is headquartered in Auckland, New Zealand with offices in the Americas, Europe and Asia. For more information, visit www.wdtl.com.