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For Immediate Release

Wellington Drive Technologies Ltd Agrees New Capital Raising to Drive Growth

The Directors of Wellington Drive Technologies Ltd (“Wellington”) are pleased to announce that they have accepted an offer for an institutional placement of 31 million ordinary shares with UBS Global Asset Management (“UBS”) in their SRI Global Innovator Fund. At the agreed price of 41.5 cents per share, this raises just over \$12.8m in new capital. After the transaction, UBS will own 9.2% of the shares on issue.

As outlined at the Annual Meeting announcement in November 2007, the Board and management have been considering several opportunities to develop the business and further accelerate the commercialisation of the Company’s energy efficiency and electricity-saving motor technologies, particularly within the appliance market. Two major contracts that require special-purpose Wellington “Total Integration” designs have been announced subsequent to the Annual Meeting; current order levels for standard motors and fans for supermarket refrigeration, domestic ventilation systems and other air-handling equipment are also pleasing. As a result of these customer commitments, together with expected additional sales growth, the Company is confident that further expansion is merited.

Wellington’s Chairman, Shawn Beck, said “The investment from UBS will be of great assistance as we push further into the global marketplace. Institutional support of this type is a great compliment to the success of Wellington’s energy saving technology and permits us to move forward with our plans to build global scale even more quickly”.

The new funds will be used to;

- Strengthen sales, marketing and in-market support within the sales organisation, primarily overseas;
- Improve the Company’s ability to deliver products in volume rapidly, including the establishment of a stator manufacturing facility in Singapore and the implementation of systems and processes appropriate for high volume supply direct to leading appliance manufacturers in North America, Asia and Europe (“Tier 1” supply systems);
- Reduce the time taken to move new standard and special-purpose Total Integration designs from prototype to full production status
- Bring forward the next generation of research and development to extend Wellington’s innovation lead and to access new market areas.

The Company will therefore invest more heavily this year under its revised plans and that the previous forecast breakeven in the second half of calendar 2008 will be delayed by an estimated 12 months. Breakeven is now budgeted to be during the second half of calendar 2009. The additional investment is expected to yield substantially superior returns from 2010 onwards, as the Total Integration projects currently in progress move into scale production and product sales increase more rapidly.

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