



## SECURES 30,000 UNIT ORDER WITH MAJOR VIETNAMESE SCOOTER GROUP

ANNOUNCEMENT

17 JUNE 2008

Vmoto Limited ("Vmoto" or the "Company") is pleased to announce that it has signed a long term agreement to develop and initially supply 30,000 engines over a 12 month period to a major Vietnamese scooter group (the "Agreement").

The Agreement, executed by Vmoto's Chinese based engine manufacturing company (67%), is expected to generate approximately US\$5.7 million (A\$6.1 mil) turnover for Vmoto over the initial 12 month period with a considerable profit contribution.

Under the terms of the Agreement, Vmoto will supply 30,000 units of a new generation water cooled, 125cc Electronic Fuel Injection ("EFI") scooter engine to the Vietnamese group. The Vmoto 125cc water cooled engine is currently in the final pre-production prototyping and evaluation phase. The production model will be modified to the customer's specifications, built around the existing pre-production platform. The modification, development and assessment process is expected to take approximately 8 months before commissioning into full volume production. The delivery window is envisaged to commence around April 2009.

In accordance with the terms of the Agreement, all development and modification costs will be carried by the client, (who cannot be named for reasons of commercial sensitivity) along with a confirmed initial 12 month production schedule for 30,000 units.

This transaction had not previously been forecasted in the 24 month projections for Vmoto.

The Vietnam scooter and motorcycle market is very strong with over 12 million licensed scooters and motorcycles in the country. As Vietnam has recently been granted full WTO trade status, longstanding protectionist barriers are being removed, making joint venture manufacturing and licensing and distribution opportunities possible in the second fastest growing economy behind China.

Vmoto's Managing Director, Patrick Davin, commented: "The Vietnamese domestic market is in excess of 1.5 million units per year. This new alliance to deliver Vmoto product in Vietnam is very exciting for the Company and only the tip of the iceberg. It practically underwrites our engine manufacturing facility with the one order. Our first OEM contract to the Korean scooter group has proven successful and a stronger business partnership is expected in the coming year. The positive feedback from our Korean client's global distribution network has been nothing short of staggering. The technology and new product development from our engine development team lead by Mr Li Gang and Mr Charles Chen is going to deliver world class, cutting edge scooter and motorcycle engines. The vision and Company emphasis on developing proprietary, rather than "copied" technology, is already gaining the attention of major regional and international scooter suppliers seeking the POWERED BY VMOTO option. Without putting too fine a point on it, the scale of the



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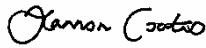
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Vietnamese supply agreement nearly doubles the total scooter unit output in Australia last year. Vmoto is a global company that just happens to be domiciled in Perth. It is my hope that the point is not lost in our home market.”

The benefit of the Vmoto vertical integration strategy is now coming to fruition. In less than one full year of operation, the fledging engine manufacturing facility has secured two major OEM supply contracts.

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*About Vmoto*

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[www.vmotoltd.com](http://www.vmotoltd.com)

*Australian based Vmoto Limited is a global integrated scooter manufacturing and distribution group listed on the Australian Securities Exchange. Vmoto specialises in high quality motor scooters and All Terrain Vehicles (ATV's) using state-of-the-art production facilities situated in China. Vmoto also operates an international scooter and ATV trading and distribution business in Shanghai China and a sales, distribution and design centre based in Barcelona Spain.*