

ASX ANNOUNCEMENT



INDUSTRY: Aviation

**MARTIN AIRCRAFT
COMPANY LIMITED**

A company registered in
New Zealand with company
number 901393
(ARBN 601 582 638)

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COMPANY CONTACT

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ASX Code: MJP

BOARD OF DIRECTORS

Jon Mayson
Non-Executive Chairman

Hamish Bell
Non-Executive Director

Steve Bayliss
Non-Executive Director

Dr Liu Ruopeng
Non-Executive Director

Dr Luan Lin
Non-Executive Director

Further information

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Outcome of Business Review and Board and Management Changes

16 August 2016

As advised in the 2 August 2016 Business Update, the Board of Martin Aircraft Company (MACL or Company) has been undertaking an in-depth review of the Company's progress, in particular focusing on how best to both progress the path towards commercialisation of the Series 1 Jetpack whilst effectively managing its cost base. KuangChi Science Limited (KCS), the Company's cornerstone shareholder, has been consulted as part of this review process.

KCS has investments across a broad array of technology companies. In order to create synergy and lower cost across their investment portfolio KCS has established a Global Community of Innovation (GCI). In essence a group that will explore ways to share services to lower the costs, and leverage technology, across each of the disruptive technology companies within their investment portfolio.

Peter Coker, CEO and Managing Director of MACL, will be stepping down from his role and taking up a newly created role with KCS as their Vice President Global Community of Innovators Business Unit (GCI). The GCI, under Peter's leadership, will assist in the delivery of a number of services to MACL including support in the areas of Marketing and Investor Relations. Each of these services will be covered by an appropriate Service Level Agreement that will see completion of these tasks, leveraging the scale of the GCI, at a reduced cost. Offsetting these costs and efforts will allow MACL to reduce total costs and increase focus on the delivery of the Series 1 Jetpack.

James West, currently CFO, has appointed CEO of MACL. To allow Peter Coker to begin the transition to his new role and to

ensure continuity of on the ground leadership, Mr West's appointment is effective as of the date of this release. Mr West will be responsible for MACL's operational activities utilising his significant experience with 29 years commercial and financial experience as Operations Manager, CFO, and CEO including seven years in technology commercialisation. Mr West is a qualified accountant and has held previous directorships in early stage technology companies. MACL and Mr. West are in negotiations as to the terms of his appointment as CEO. Once finalized, the material terms of his appointment will be announced.

The Board's financial management and governance has been strengthened with the appointment of Hamish Bell as a Director of the Company. Mr. Bell is a Chartered Member of the Institute of Directors and has a wealth of experience in both the private and listed company space in New Zealand and across Asia. A former PwC Partner and senior banker with the ANZ, he currently serves as an Independent Director or Chair of a number of large businesses across New Zealand and brings to the Company significant expertise in finance, equity investment and investor relations, as well as a strong understanding of international markets gained through his decade of experience in Asia.

Dennis Chapman will step down from the Board. The Board expresses its thanks to Mr. Chapman for his ongoing guidance to the Company and for playing an important interim role following his appointment after the 2016 AGM.

In addition, YangYang Zhang will resign from the Board to ensure a majority of New Zealand based Directors in compliance with the Company's constitutional requirements. The Board thanks Dr Zhang for his contribution to the Company.

Accordingly, as a result of the above changes, the Board will reduce in size from seven Directors to five Directors.

With these changes taking immediate effect there is also a renewed and simplified focus on completing the Series 1 Martin Jetpack and managing the cost base.

As previously disclosed, the Series 1 Jetpack will be used to undertake capability demonstrations to potential customers in 2017 to create market interest either directly by MACL or through third parties. This may enable MACL to generate an expected sales order book and secure further funding for the design, development and certification commencement of the Series 2 Jetpack in 2017.

Any queries please contact James West, on +64 3 377 8584 or email james.west@martinaircraft.co.nz

ABOUT THE MARTIN AIRCRAFT COMPANY LIMITED

Martin Aircraft Company Limited (Martin Aircraft) is currently developing the Martin Jetpack, the world's first practical jetpack, with potential search and rescue, military, recreational and commercial applications, both manned and unmanned. The Martin Jetpack was initially conceived and developed by Glenn Martin in Dunedin in 1981. This led to the founding of Martin Aircraft Company in 1998.

The Martin Jetpack is a disruptive technology; much like the helicopter was when first developed, with significant capabilities and is able to be flown either by a pilot or via remote control. The jetpack can take off and land vertically (VTOL) and because of its small dimensions, it can operate in confined spaces (such as close to or in between buildings), near trees or in confined areas that other VTOL aircraft such as helicopters cannot access.

More detailed information about Martin Aircraft and the Martin Jetpack is available at www.martinjetpack.com