

**SOURCE: Alternative Fuel Technologies**  
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**Alternative Fuel Technologies (AFTC) Completed Submission of its Innovative Advanced Propulsion Solution for the US Navy**

REDFORD, MI--(Marketwire - June 16, 2009) - Alternative Fuel Technologies Inc. (PINKSHEETS: AFTC) responded to an SBIR invitation ( Topic number NO 92-122 - Navy) by submitting its proposal to develop an innovative advanced propulsion solution for future combatant craft with breakthrough technology for multi-fuel engines weighing three to five times less than conventional diesel engines of the same horsepower.

The US NAVY, and its NAVY SEALS in particular, utilize assault craft and combatant patrol vessels that rely on speed, acceleration, and maneuverability to protect the lives of the troops and secure multi-mission success. The increasing demand to carry greater “payloads” (e.g. combat troops, weapons, and ballistic armor) inherently reduces the current craft’s overall performance, including speed, agility, even survivability of the troops. The US NAVY is in need of an alternative to current diesel fuel propulsion systems; one that allows for increased payloads without sacrificing speed and acceleration. More specifically, an innovative solution that decreased “weight to power ratios” significantly, thereby enabling increases in mission system payload weight and personnel transport capability.

Alternative Fuel Technologies, Inc (AFTC) has over 40 years of engine design experience, including diesel and alternative fuels, with its core business in the development and prototype manufacturing of advanced fuel systems that burn Dimethyl Ether or “DME.” Alternative Fuel Technologies, Inc. (AFTC) submitted its proposal on June 15, ahead of schedule, and expects an answer in the next 60 to 90 days. The project includes three phases. Phase one could generate a total \$100,000; Phase two could exceed \$1,000,000, and Phase three which includes the completion of a full prototype engine installed in a marine craft, would likely approach \$20,000,000. The US NAVY defines only the scope of the work rather than the contract dollar amount.

CEO Jim McCandless reported that, “All of us here in management at AFTC feel really solid about the proposal we submitted. Our proposal is not only extremely competitive, but we believe our technological ingenuity and ability to provide the next generation of fuel solutions can satisfy the Navy objectives of hauling greater weight without putting our troops lives at risk. Gaining this opportunity would be a win for the company of course, but a project we would be elated to be a part of.”

About AFTC:

Alternative Fuel Technology Inc. is a research & development organization

engaged in the design, development and prototype manufacturing of advanced fuel systems for use with a new alternative fuel -- dimethyl ether (DME). AFTC has developed practical, low-cost fuel injection equipment for DME fueled vehicles and currently provides complete DME fuel systems for testing and research purposes in addition to retrofit systems that can be used with most diesel engines.

**Safe Harbor Statement:** Statements contained in this release, which are not historical facts, including statements about plans and expectations regarding business areas and opportunities, acceptance of new or existing businesses, capital resources and future business or financial results are "forward-looking" statements. You should not place undue reliance on these forward-looking statements. Such forward-looking statements are subject to risks and uncertainties, including, but not limited to, customer acceptance of our products, our ability to raise capital to fund our operations, our ability to develop and protect proprietary technology, government regulation, competition in our industry, general economic conditions and other risk factors which could cause actual results to differ materially from those projected or implied in the forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable, they relate only to events as of the date on which the statements are made, and our future results, levels of activity, performance or achievements may not meet these expectations. We do not intend to update any of the forward-looking statements after the date of this press release to conform these statements to actual results or to changes in our expectations, except as required by law.

Further information on Alternative Fuel Technologies Inc. is available at:  
<http://www.altfueltechnology.com/>

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