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ASX ANNOUNCEMENT

NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001

20 July 2015

Austin Engineering Limited (**Company**) has today announced that it is undertaking a pro-rata accelerated non-renounceable entitlement offer to raise up to approximately \$31.6 million (before offer costs) (**Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 5 fully paid ordinary shares (**New Shares**) for every 6 existing shares in the Company held as at 7pm (Sydney time) on Thursday 23 July 2015 at an issue price of \$0.45 per New Share.

The Entitlement Offer will comprise an accelerated institutional component and a retail component.

Eligible retail shareholders will be invited to participate in a retail shortfall facility under which they can subscribe for additional New Shares in excess of their entitlement from any shortfall under the Entitlement Offer, provided that the issue of those New Shares will not result in a breach of the ASX listing rules or any applicable law (**Retail Shortfall Facility**).

The Company advises that it will offer the New Shares for issue to investors under Part 6D.2 of the Corporations Act 2001 (**Act**) and states that this notice is given to ASX under paragraph 708AA(2)(f) of the Act, as modified by ASIC Class Order [08/35].

Accordingly the Company advises:

- 1 The Company will offer the New Shares under the Entitlement Offer and Retail Shortfall Facility without disclosure to Eligible Retail Shareholders under Part 6D.2 of the Act.
- 2 As at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (b) section 674 of the Act.
- 3 As at the date of this notice, there is no excluded information as defined in section 708AA(8) and section 708AA(9) of the Act which is required to be disclosed by the Company.
- 4 The potential effect that the Entitlement Offer and Retail Shortfall Facility will have on the control of the Company and the consequences of that effect will depend on a number of factors, including investor demand and existing shareholdings. However, given the structure of the Retail Entitlement Offer as a pro-rata issue, the Entitlement Offer and Retail Shortfall Facility are not expected to have any material effect or consequences on the control of the Company.

ENDS