

Chairman's Address to Shareholders at 2012 AGM

Brisbane, 23 November 2012: Austin Engineering Limited (ASX trading code: **ANG**) is pleased to announce the Chairman's address to shareholders as presented at the Company's 2012 Annual General Meeting held today.

Austin Engineering Ltd Chairman's Address

"I now have pleasure in delivering the Chairman's address.

As indicated in the Annual Report, Austin Engineering has achieved its eighth consecutive year of growth in the year ended 30th June 2012, with an increase of revenues of 42% and an increase in net profit after tax of 38%. This strong result has allowed us to lift the dividend payout to you, our shareholders, by 22% over the prior year.

Similar to the previous year this growth is attributable not only to organic gains, but also to the benefits that have flowed from our acquisitions and from our geographic expansion.

As you are aware, the Company has, over the last two years, expanded its operations into South America. We have built new greenfield manufacturing facilities in Antofagasta (in Chile) and Colombia, and we are progressively upgrading our existing facilities in Peru and in Calama (in Northern Chile). These projects place us in a dominant position in one of the world's leading mining geographies and have the potential to significantly increase the growth opportunities for the Company.

The Managing Director will, in his presentation, take you through the operational areas of the Company and highlight our expansion plans going forward.

I am pleased to be able to indicate to you that the Company continues to perform well, having achieved, in the four months to 31st October 2012, both EBITDA and profit before tax results that are ahead of the previous year. This result is in line with our expectations that the 2012/13 year will be a year of further substantial growth for the Company.

Mining services companies have been under some pressure in the financial markets recently due to commodity prices and subsequent deferments of resources projects. While Austin is not immune from these events I would make the observation that we are not as reliant on new projects as some. Our market is, to a large degree, in the replacement business and as such so long as the cycle of wear continues there is a requirement for our products.

In the Annual Report I made mention that our recent acquisitions and capital expenditure had been funded by internal cash resources and debt and this has had the effect of increasing our gearing ratio to 33% as at 30th June 2012. While this level is conservative and comfortably within our bank covenant requirements, we wish to be prepared should additional opportunities present themselves. This is why one of the resolutions we are proposing today relates to a possible placement. If this resolution is approved and we do proceed with a placement, it would be the Company's intention to offer a Share Purchase Plan to our existing retail shareholders.

In closing my address I would like to thank our Managing Director Mr Michael Buckland, his management and staff, for their efforts in a challenging year and also to acknowledge the valuable support of you, our shareholders.

I will now invite Michael to make his Managing Directors presentation."

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For further information, contact Managing Director Michael Buckland or Chief Financial Officer Colin Anderson on +61 7 3271 2622.

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, the USA, South America, Indonesia and the Middle East. The Australian facilities manufacture, assemble, repair and maintain (on and off-site) products used in the mining and resources sector. Key product lines include dump truck bodies, large service vehicles, excavator buckets, materials handling equipment, mineral processing equipment, industrial radiator and cooling products as well as large structural steel projects. The USA facility (Westech) based in Casper, Wyoming, services the North American mining markets and is an industry-leading designer and manufacturer of specialised lightweight dump truck bodies. The Chile and Indonesian operations manufacture dump truck bodies and other mining products for the South American and Indonesian markets. The Middle East operation principally services the aluminium smelter industries in the region. Austin also own rights to innovative welding processes which have been introduced to improve welding productivity. Robotic welding systems are also used for product lines, general fabrications and repetitive production processes. For more information visit www.austineng.com.au.