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26 May 2016

Dear Performance Rights Holder

Participation in renounceable Entitlement Offer

Austin Engineering Limited (**Company**) today announced that it is undertaking an underwritten pro-rata renounceable entitlement offer to raise up to approximately \$28.1 million (before offer costs) (**Entitlement Offer**).

The Entitlement Offer is underwritten subject to certain conditions and customary termination events pursuant to an underwriting agreement.

To be eligible to participate in the Entitlement Offer, performance rights holders with a registered address in Australia or New Zealand must:

1. confirm that they are eligible to exercise all or part of their performance rights (i.e. their performance rights have vested); and
2. exercise their performance rights so that they are a shareholder of the Company on the record date of 7:00pm Sydney time, Monday 6 June 2016.

If your performance rights have not yet vested, and cannot be exercised to participate in the Entitlement Offer, this letter is provided to you as a formality under the ASX Listing Rules.

Yours sincerely,



Peter Pursey
Executive Chairman