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30 August 2006

The Directors
Allied Technologies Group Ltd
Level 8, 60 Pitt Street
SYDNEY NSW 2000
Fax: 8259-4151

Company Announcements
Australian Stock Exchange Ltd
20 Bond Street
SYDNEY NSW 2000
Fax: 1-900-999-279

Dear Sir/Madam,

Proposed Takeover Bid for Allied Technologies Group Ltd ("ATZ")

We wish to advise our intention to make an off-market, cash takeover bid for ATZ at a price of not less than 18c per share. It is envisaged that the offer will be for 60% of each shareholder's interest.

The offer represents a 39% premium to the price imputed to each ATZ share by the proposed merger with LongReach Group Limited ("LRX") (based on LRX's weighted average share price over the past month of 4.3c per share) and provides ATZ shareholders with a higher, cash alternative to that proposal.

Background

On 7 June 2006 the directors of ATZ and LRX announced a merger whereby ATZ would issue 1 of its shares for every 3 shares in LRX. ATZ shareholders have not been given the opportunity to vote on that transaction, even though the merger will deliver a 53% interest in ATZ to LRX shareholders.

The purpose of this bid is to provide a cash alternative to that merger and to give ATZ shareholders the same rights as LRX shareholders in deciding the future direction of the company. In the absence of a takeover bid, it looks likely that the ATZ - LRX merger will proceed and that as a consequence ATZ shareholders, ourselves included, will suffer financially.

Bid Terms and Conditions

Although the offer price is significantly higher than the effective price at which directors propose to merge with LRX, it may well be less than the underlying real value of ATZ, provided the merger does not go through. Accordingly, we will consider raising the offer if we are allowed to conduct detailed due diligence on the company and its operating subsidiaries.

The bid will be subject to the following conditions:

1. That Nightingale Partners Pty Limited becomes 'entitled' to (has voting power over) 50.1% of ATZ's issued capital. (Nightingale Partners Pty Limited and associates are currently entitled to 14.8% of the issued capital.);

2. The normal "prescribed occurrence" (s652C(1)(2)) conditions; and

3. That from the date of this announcement:

    a. ATZ and LRX do not proceed with a scheme of arrangement merger and that no application is made to any court or meeting is called in respect to that scheme.

    b. No event occurs that will or is reasonably likely to have a materially adverse effect on the business or the financial position of the company or that depletes or is likely to deplete ATZ's cash balances as at the date immediately following the completion of the sale of the cabling division in July 2006 and there is no, and no disclosure of, a material adverse change in such financial position or cash balances.

    c. Neither ATZ nor its subsidiaries will enter into any employment contracts with any director.

    d. Neither ATZ nor its subsidiaries will enter into any material contract or dispose of any material assets.

We expect to lodge our bidder's statement within the next three weeks.

Yours sincerely,
Nightingale Partners Pty Ltd

Larry Case
Director