

28 August 2008

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

**BERKLEE RECEIVES OFFER FROM MANUMATIC TO ACQUIRE ITS
BUSINESS FOR \$10.9 MILLION WHICH ON COMPLETION WILL RESULT IN
DISPOSAL OF WHOLE UNDERTAKING**

Berklee Limited (**Berklee** or the **Company**) and Manumatic Industries Pty Ltd (**Manumatic**) have today signed a Heads of Agreement containing an offer by Manumatic to acquire the Berklee business for approximately \$10.9 million payable in cash, subject to adjustment for changes to net assets at completion. The Manumatic offer is subject to a number of conditions including due diligence, formal documentation, purchaser financing approval and Berklee shareholder approval.

Manumatic, like Berklee, is a leading Australian based manufacturer and distributor of automotive exhaust systems and related components and the proposed sale to Manumatic covers all operations of the Berklee business.

The Company will call a meeting of shareholders and distribute an explanatory memorandum with further details of the transaction once formal documentation for the proposed sale is completed.

If the sale is approved by shareholders and completed, it will result in the sale of all assets and undertaking of the Company. The directors of the Company intend recommending the approval of the transaction.

The automotive industry is at present facing a number of significant challenges and the proposed sale would enable synergistic benefits at the enterprise level to be realised by combining the Berklee and Manumatic businesses and allow Berklee to undertake a significant return of funds to its shareholders from the proceeds of the sale.

Signed.....

Edward van Berkel
Managing Director



BERKLEE LIMITED
A.B.N. 80 004 661 205
MANUFACTURERS OF
AUTOMOTIVE EXHAUST SYSTEMS
AND PARTS

REGISTERED OFFICE:
Sunraysia Highway, Wendouree,
Ballarat, Victoria, Australia
POSTAL ADDRESS:
P.O. Box 83, Wendouree,
Victoria 3355, Australia

TELEPHONE: +61 3 5338 1110
FACSIMILE: +61 3 5338 1111
EMAIL: headoffice@berklee.com.au
INTERNET: www.berklee.com.au