

Record Half-Year Result and Maiden Interim Dividend

Brisbane, 27 February 2007: Austin Engineering Limited (ASX Trading code: **ANG**) today announced a net profit after tax of \$2.3m for the six months ended 31 December 2006, an increase of 130% on the corresponding period last year.

Revenue was \$29.3m, up 25% on the prior period, whilst earnings before interest and tax were \$3.3m, up 83% on the corresponding period last year. Earnings per share were 5.85 cents, an increase of 129%.

Commenting on the result, Chairman Peter Fitch stated that the result was driven primarily by a high level of activity at all operations during the first half of the year, coupled with the additional contribution of the company's operation at Kaldura Industries in Mackay, the acquisition of which was completed in early July 2006. Productive activity during the half-year largely concentrated on the manufacture of the JEC product range including dump truck bodies, excavator buckets and other equipment used in the mining and resources business sector.

The company expects to enjoy favourable business conditions during the second half of the financial year with good levels of productive activity flowing from a strong demand for the company's product range and capabilities.

The company is also pleased to announce that it has declared its maiden interim dividend of 0.5 cents per share, fully franked. The record date of the interim dividend will be 30 March 2007 and payment will be made on 30 April 2007.

End

For further information, contact Michael Buckland or Colin Anderson on 07 3271 2622.

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Brisbane, Perth and Mackay. The Brisbane facility provides fabrication facilities servicing the mining, oil, gas and industrial sectors. Key product lines include structural steel, mineral processing equipment, dump truck bodies and excavator buckets. The Perth and Mackay facilities manufacture and assemble products used in the resources industry including dump truck bodies, excavator buckets, materials handling equipment and large service vehicles. Austin own rights to innovative welding processes which are being introduced to improve welding productivity, coupled with robotic applications to suit product lines, general fabrications and any repetitive production processes.