

Chairman's Address to Shareholders at 2007 AGM

Brisbane, 23 November 2007: Austin Engineering Limited (ASX Trading code: **ANG**) is pleased to announce the Chairman's address to shareholders as presented at the Company's Annual General Meeting held today.

Austin Engineering Ltd Chairman's Address

Good morning ladies and gentlemen and welcome to Austin Engineering's fourth annual general meeting.

I'm pleased to report that Austin Engineering performed extremely well in the 2007 financial year, a year in which the company enjoyed strong growth in its existing business and consolidated recent acquisitions. The results of our strategy to expand and diversify are now clearly evident in the size and scope of the company and its financial returns versus a year ago.

Austin is now unquestionably one of Australia's leading engineering firms operating in the resources sector. We have almost 600 employees serving major mining provinces from operations in Brisbane, Mackay, Perth and the Middle East.

The hard work of our management and staff, and the support of you, our shareholders, was rewarded in the period under review with Net Profit After Tax up 207 per cent to \$4.97 million while Earnings Before Interest and Tax increased 173 per cent to \$7.31 million. This excellent result allowed the board to declare total dividends for the year of 4 cents per share, fully franked. This represents a doubling of the previous year's payout.

Our success was reflected in Austin's market capitalisation, which during financial 2007 exceeded \$100 million for the first time.

During the year we announced a significant expansion through the acquisition of Austbore Pty Ltd in Mackay, Queensland, for \$10.3 million plus inventory and work in progress. This was consistent with our overall strategy of providing a one-stop-shop serving the mining and resources industry in each of the key regional areas in which we operate.

Austbore was attractive for its heavy machining capability in Mackay and a number of on-site repair contracts in Australia and overseas. The business brings with it new markets and complements our existing operation – Kaldura Industries – extremely well. We expect both businesses to increase revenue as they take advantage of the synergies available.

Kaldura Industries, which we acquired in 2006, was not only successfully integrated during the year but also completed a major expansion. This will increase our capacity to build or refurbish off-highway truck bodies in Mackay.

Looking ahead, our Brisbane business is well positioned for the future having completed a major reorganisation. As previously advised, we planned to replicate the manufacturing expertise of our Perth JEC Mining & Earthmoving operation in Brisbane. I'm pleased to report that this process is complete. The move is delivering the dual benefits of providing our clients with Australia-wide service while lessening the reliance of the Brisbane operations on highly competitive structural steel fabrication, which was its main source of revenue.

At present Brisbane has forward orders for more than 30 truck bodies and a substantial number of excavator buckets to manufacture. I should also mention that Perth too is busy, with more than 40 off-highway truck bodies on order.

We continue to investigate potential acquisitions that are consistent with our strategy of expansion and diversification in key geographical regions. Let me assure shareholders that the businesses we acquire must meet strict criteria, including the ability to contribute to the long-term revenue and earnings growth of the Group.

(Cont'd Over)

Chairman's Address to Shareholders at 2007 AGM (Cont'd)

Turning to the outlook, we expect revenue and profit growth to continue in financial 2008. The mining and resources sector is forecast to remain buoyant for the foreseeable future while within the business we have recently increased production capacity in Perth by 65 per cent and will enjoy a full year's contribution from Austbore.

In April we advised the market we were expecting Earnings Before Interest and Tax in financial 2008 in excess of \$10 million. Based on trading to date, our forecast is for EBIT in excess of \$6 million for the first half ending December 31, 2007 while, with a record number of orders on hand, we are also looking forward to a strong second half.

Finally, I would like to express on behalf of the Board our thanks to management and staff for their excellent efforts throughout the year. Also, I would like to extend our thanks to you, our shareholders, for your ongoing support in the development of Austin. I look forward to addressing you in 12 months on time on what I feel certain will be another successful year.

I'll now hand over to your Managing Director Michael Buckland who will discuss both the year under review and outline the company's prospects in more detail.

Thank you.

End

For questions on the above, please contact 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. The Perth and Mackay facilities manufacture, assemble and overhaul products used in the mining and resources industry. Key product lines include dump truck bodies, large service vehicles, excavator buckets, materials handling equipment, mineral processing equipment and structural steel. 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.