

Brazilian Joint Venture and Growth Strategy Update

Brisbane, 27 April 2010: Austin Engineering Limited (ASX trading code: **ANG**) is pleased to announce the following developments in relation to the establishment of operations in Brazil and further expansion of its existing operations.

Highlights

- Joint venture heads of agreement with Delp Engineering (“Delp”) in Brazil signed
- Negotiations progressing for a potential bolt-on acquisition in the Hunter Valley, New South Wales
- Discussions commenced to acquire a new product line with an international market presence
- Negotiations also underway to acquire a business with Western Australia support and maintenance capabilities

Brazilian Joint Venture with Delp Engineering

The Directors of Austin Engineering Ltd are pleased to advise that a heads of agreement has been signed with Delp Engineering (www.delp.com.br) to establish a 50/50 joint venture. Statutory paperwork to formally establish the joint venture company will now be prepared and the marketing of the company’s products will commence immediately. The company expects to be operating and delivering products to customers at the beginning of the new financial year.

Delp has serviced the resources industry for over 40 years by providing it with welded and machined metal components. It is situated in Belo Horizonte which is the major hub for the majority of mines in Brazil. This location gives the joint venture a strategic advantage and solid foundation for success as Austin’s products involve the same manufacturing processes used by Delp and major clients are located in Belo Horizonte. During the initial stages of operation, Delp will provide workshop area and administration functions for an agreed value. As the joint venture company grows it is the intention of the parties to look at another site for the anticipated expansion. Austin will provide technical assistance for the joint venture during the first 12 months with personnel from Australia, Chile or USA. All intellectual property remains with Austin.

Commenting on the joint venture, Chairman Peter Fitch stated “We have completed detailed research of the South American market and following the successful commencement of our Chilean operations we are confident that the Brazilian market will be equally as successful. We have had regular contact with companies such as Vale and we know our products will be keenly sought after as there is currently little or no existing local manufacture of our product range”.

Update - Growth Strategy

Austin would also like to give investors an update on its other growth strategies.

The company is pleased to advise that it is in advanced negotiations for the acquisition of a business in the Hunter Valley that services the mining industry in that area. The Hunter Valley is seen as a key location by the company with a significant number of recent orders having been secured for this region. With blue-chip miners having announced further expansion plans in the region, the company believes it imperative that it is represented in the region and that it can offer its products and services to existing and potential new customers.

Once acquired, the target company’s facilities will be used for the final assembly of Austin’s products manufactured in its Queensland-based operations as well as the maintenance of those products for customers. The manufacture of Austin’s products within the target company’s facility will also commence once the acquisition is complete and extensive marketing efforts will be commenced to grow the target company’s existing range of overhaul and maintenance contracts. The company is hoping to have this acquisition complete by mid to late May 2010.

Discussions are also taking place with a company that provides parts for a number of the company’s products on a worldwide basis. The growth profile of this target company is comparable to Austin in its early stages of development and management believes that the products offered have a far greater potential under Austin with our facilities and locations.

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Austin believes that the acquisition of these product lines will also enhance its ability to sell existing products. The South American market is seen as a key growth area for these products and the integration with Austin Chile will be seamless.

In Western Australia, Austin is seeing a far greater emphasis placed on the support and maintenance of its products. Accordingly, negotiations have commenced with a Pilbara-based company with extensive experience in this key region and it is expected that this bolt-on acquisition will enable Austin to access new revenue streams and to increase its presence and capabilities in Western Australia.

The strength of the company's balance sheet will allow it to move quickly on these acquisitions upon completion of due diligence and other formalities.

For further information and questions on the above, please contact Managing Director Michael Buckland or Chief Financial Officer Colin Anderson on +61 7 3271 2622.

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About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, the USA and the Middle East. The Australian facilities manufacture, assemble and overhaul products used in the mining and resources sector. Key product lines include dump truck bodies, large service vehicles, excavator buckets, materials handling equipment, mineral processing equipment as well as large structural steel projects. The USA facility (Westech) based in Casper, Wyoming, services the North and South American mining markets and is an industry-leading designer and manufacturer of specialised lightweight dump truck bodies. The Chile operation (Austin Engineering Chile) manufactures dump truck bodies and other mining products for the South American market. The Middle East operation principally services the aluminium smelter industries in the region. Austin also own rights to innovative welding processes which have been introduced to improve welding productivity. Robotic welding systems are also used for product lines, general fabrications and repetitive production processes.