

17 June 2004

The Manager, Company Announcements  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
Sydney  
NSW 2000

Dear Sir

**Austin Engineering Limited (ANG) to Sell Unmarketable Parcels of Shares**

Austin Engineering Limited has decided, as permitted by its constitution, to take steps to sell unmarketable parcels of shares in order to reduce its administration and overhead costs. The attached letter and election notice has been sent to all holders of unmarketable parcels of shares.

Yours faithfully  
For and on behalf of Austin Engineering Limited

**Colin Anderson**  
**Company Secretary**

14 June 2004

Dear Shareholder

**NOTICE OF INTENTION TO SELL SHAREHOLDING THAT IS LESS THAN A MARKETABLE PARCEL**

According to the Company's records, there are a significant number of shareholders in the Company who hold less than a Marketable Parcel of shares.

In broad terms, a Marketable Parcel is defined in the Australian Stock Exchange Listing Rules as a parcel of securities with a market value of \$500 or more. Based on the closing price on ASX of the Company's shares as at 11 June 2004, a shareholding of 1,515 shares or less would be an unmarketable parcel of shares.

The cost to the Company of administering shareholdings of less than a Marketable Parcel and in providing annual reports, notices of meetings and other information in respect of those holdings is considerable. In order to reduce its administration costs, the Company wishes to reduce the number of shareholdings by selling the unmarketable parcels and remitting the proceeds to the relevant holders of the unmarketable parcels.

The ASX listing rules and the Company's constitution contain a procedure under which the Company may sell unmarketable parcels. The Company hereby gives notice, in accordance with Section 31 of its Constitution and the Australian Stock Exchange Listing Rule 15.13, that unless you advise the Company by **5.00pm Perth time on 30 July 2004** (the **Relevant Date**) that you wish to keep your shares:

- If you hold an unmarketable parcel of shares as at the Relevant Date, all of those shares are liable to be sold in accordance with the procedure in section 31 of the constitution; and
- After the Relevant Date, the Company may without further notice to you move your unmarketable parcel of shares to a separate uncertificated holding for the purpose of selling those shares in accordance with the permitted procedure.

If you want to keep your shares, you must give the Company written notice by the Relevant Date advising that you want to keep your shares, in which event the Company will not sell the shares.

An Election Notice is **enclosed** for this purpose and must be returned to the following address:

Advanced Share Registry Services  
PO Box 6283  
East Perth  
Western Australia 6892

If the Company does not receive your duly signed Election Notice by the Relevant Date, the Company will arrange for the sale of any unmarketable parcel of shares held by you as at 5.00pm on 30 July 2004.

The shares will be sold on ASX within two weeks after the Relevant Date at the prevailing market price at the time of sale in the absolute discretion of the Board. Each shareholder will be entitled to receive for each share sold the weighted average sale price of all shares sold over the 14 day sale period.

The funds received by the Company from the sale of the holdings will be paid to shareholders by an Australian dollar cheque sent in the post within fourteen days of the Company completing the sale process. All costs associated with the sale of your shares will be borne by the Company.

Please note that this notice of intention to sell your unmarketable parcel of shares will lapse should a takeover offer be made for the Company's shares before agreement is entered into by the Company for the sale of these shares.

If you have any questions regarding this letter or the process, please contact me on 07 3271 2622.

Yours faithfully  
For and on behalf of Austin Engineering Ltd



**Colin Anderson**  
Company Secretary

Austin Engineering Ltd  
c/o Advanced Share Registry Services  
PO Box 6283  
East Perth  
Western Australia 6892

(Shareholder Name)  
(Shareholder Address)

HIN/SRN:  
Current Shareholding: (Ref No.)  
(No. of Shares)

**NOTICE TO KEEP UNMARKETABLE PARCEL OF SHARES IN AUSTIN ENGINEERING LTD**

I/We refer to the notice from Austin Engineering Ltd, ABN 60 078 480 136 ("the Company") dated 14 June 2004 of its intention to sell unmarketable parcels of shares as at 5.00pm Perth time on 30 July 2004.

I/We wish to retain all of the shares comprising my/our unmarketable parcel of shares in the Company.

**Individuals:**

.....  
Signature of Shareholder 1

.....  
Signature of Shareholder 2

**Companies with Sole Director and Sole Secretary:**

.....  
Signature of Sole Director and Sole Secretary

**Other Companies:**

.....  
Signature of Director

.....  
Signature of Director/Secretary

Date:.....

***General Signing Instructions***

In the case of joint holders, each holder must sign. Where the holder is an incorporated body, it must sign in accordance with its Constitution. If this form has been signed by an Attorney and the relative Power of Attorney has not been produced to the Company, a certified copy or the original Power of Attorney must be forwarded with this form for noting.

This form must be returned to Advanced Share Registry Services by 5.00pm (Perth time) on 30 July 2004. For any enquiries, please contact the Company Secretary, Colin Anderson, on +61 7 3271 2622.

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If you wish to receive future correspondence from the Company by electronic format, please tick the box below and provide your email address:

(Please tick box)

(Please provide email address)