

Austin Confirms Profit Guidance For FY2004-05

Brisbane, 11 August 2005: Austin Engineering Limited (ASX Trading code: **ANG**) announced today that the company expects to achieve EBIT in excess of \$2.0 million for the full financial year ended 30 June 2005, as forecast in the profit guidance released to the market on 4 February 2005. The expected EBIT result for 2005 will be more than double the company's 2004 EBIT result of \$0.88 million.

This result follows a strong second-half year result for the Queensland operation and includes only ten month's worth of profit contribution from its Western Australian operation, John's Engineering.

Austin will announce its final audited results for the year ended June 2005 later this month with expectations that NPAT will be well up on the 2004 result. Included in the final results announcement will be dividend advice for the year with the company intending to declare its maiden dividend.

Industry outlook, order book and tender activity

The industry outlook remains buoyant, and Austin's business levels for the 2005/2006 year are very promising, with both Queensland and WA operations currently having solid work activity already booked through to January 2006.

Further orders for work relating to new projects or extensions of existing projects are expected over the coming months. The company also expects to participate in the tendering processes for major smelter projects in the coming months.

Queensland operations

In Queensland, the second half of the year has seen heavy work levels and this work loading is expected to continue.

To meet the expected demand, the company is planning in the current financial year an expansion of its existing Brisbane facility which will add 1,600 square metres of manufacturing capability. This is in addition to investment in other major capital equipment. The expansion will be funded by existing available bank lending facilities and cash resources.

WA operations

The acquisition of John's Engineering in Western Australia has been a key and successful strategy for Austin in 2004/2005.

The facility has now been fully integrated into the company's overall operations and fulfils Austin's objective of having facilities on the East and West coasts in order to properly and effectively service the resource and mining sectors.

The acquisition has also allowed the company to introduce new product lines and customers into each state's operation. In addition, robotic welding techniques have been installed in the West which has led to the streamlining of a number of production processes.

Robotic welding technology

The robotic welding business is a growing, key service line for the company. It has the potential to attract large, longer term (2 - 3 years) work for the company particularly in the aluminium smelter industry which will provide stable, longer term revenues.

The company's technology is geared towards producing smelter components such as potshells, superstructures, busbar and anodes. The mobility of the technology means that the company can target both domestic and international smelter projects, where the smelter components are manufactured at locations near the proposed smelter sites.

In the next month the company expects to receive its first request to tender for the provision of busbar and anodes for the proposed Sohar Aluminium Smelter in Oman.

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In the interim, the company continues to refine its technology and apply it on domestic jobs including the manufacture of 8,000 anode hanger assemblies for the Boyne Island Smelter in Gladstone, Queensland, as well as product lines for John's Engineering.

Sale and leaseback of facilities

The company is currently in negotiation to sell and leaseback its Brisbane and Perth properties and expects to announce further information on this matter very shortly. Austin expects to realise a material capital gain from the transaction which will release cash back into the business.

Chief financial officer

The company's Chief Financial Officer, Mr Colin Anderson, is leaving the company mid-August 2005 to pursue his own business interests. The company would like to publicly thank Colin for the very high level of service he has provided to the company since listing and wishes him well for the future. The company will be making an announcement shortly in relation to his successor.

Objectives for 2005/2006

The growth and development of the company since listing has been positive and the board remains active in ensuring that pattern of growth continues. The objectives for the remainder of 2005/2006 include:

- Continuing to increase earnings from existing business operations and through further acquisitions in related industries.
- To grow the robotic welding technology business with a view to securing valuable long term contracts.
- Complete the sale and leaseback of the Brisbane and Perth premises.
- Complete the expansion of production capacity at the Brisbane facility.

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

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Brisbane and Perth. The Brisbane facility provides fabrication facilities servicing the mining, oil, gas and industrial sectors. Key product lines include structural steel, piping, mineral processing equipment, potshells and superstructures. The Perth facility (formerly Johns Engineering) designs and manufactures 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.