

ASX and media release – 2006 financial results

Brisbane, 29 August 2006. Austin Engineering Limited (ASX code: ANG) today announced a net profit after tax (NPAT) of \$4.35 million for the year ended 30 June 2006, representing an increase of 266 % over the NPAT of \$1.19 million for the previous financial year.

The full year result included an increased profit after tax of approximately \$2.73 million from the sale and lease back of the Company's facilities in Queensland and Western Australia.

EBIT was \$2.83 million and is an increase of 38% over the 2005 figure and the operational NPAT (excluding profit from the sale of land) was approximately \$1.62 million, an increase of 36% over the previous year.

Austin Engineering has declared a dividend of 2.0 cents per share fully franked for the financial year ending 30 June 2006. This represents an increase of 100% over the previous year. The dividend record date will be 29 September 2006 and the dividend will be paid on 31 October 2006.

Commenting on the 2005/06 results Chairman Peter Fitch stated the company has continued to progress along its strategic direction and the benefits are now starting to flow to the bottom line. Despite a poor first half of the financial year, the Company achieved record operational results through an excellent second half of the 2005/06 financial year.

The results from the recently acquired Kaldura Industries in Mackay are in line with expectations, the project in Oman is progressing on schedule and the Company will continue on its growth phase both organically and with further acquisitions.

The Company expects continued strong operational and financial performance in the 2007 financial year, with all operations having record levels of work-loading into the new calendar year. Based on current levels the Company is again expecting increased levels of profit and dividends for 2006/2007.

Other details from the company's preliminary final report follow:

| ITEM: | \$M | Increase (%) | 2006 | 2005 |
|------------------------------|------------|---------------------|-------------|-------------|
| Revenue | | 28% | 48.88 | 38.32 |
| PBT | | 280% | 6.19 | 1.63 |
| *Adjusted PBT | | 41% | 2.29 | 1.63 |
| NPAT | | 266% | 4.35 | 1.19 |
| *Adjusted NPAT | | 36% | 1.62 | 1.19 |
| Net Assets | | 48% | 9.91 | 6.69 |
| Earnings per share | | 228% | 10.93c | 3.33c |
| *Adjusted earnings per share | | 22% | 4.07c | 3.33c |
| Dividend | | 100% | 2.0c | 1.0c |

* Excludes the capital gain from the sale of properties.