

Chairman's address to the Shareholders at the AGM 2006

Brisbane, 17 November 2006: Austin Engineering Limited (ASX Trading code: ANG) today announced the Chairman's address to the shareholders as well as the Managing Director's address presented on the Company's Annual General Meeting held on the 17 November 2006;

Chairman's Address

Ladies and gentlemen,

I would now like to present my address which will touch briefly on the main events of the past financial year. At this time last year we forecast that the operating profit for the financial year 2005/2006 would be higher than the previous year and I am pleased to be able to confirm that this was achieved.

In addition, the sale and leaseback of both the Brisbane and Perth facilities were completed which resulted in the realisation of both a substantial capital gain on the sales as well as a large cash inflow. This has allowed us to fund the acquisition of Kaldura Industries while still maintaining a substantial cash resource which can be used to fund future growth and acquisitions.

In the year we have progressed steadily in line with our strategic goals through the acquisition of Kaldura Industries in Mackay and by the award of our first large offshore contract in Oman for components for the new Aluminium smelter being built in that country.

In addition we have completed the expansion of our Brisbane factory and have commissioned a second generation advanced automated welding facility in Brisbane which moves our welding capabilities to the forefront of best practice in welding large components. As a result of these improvements in the Brisbane facility, we have successfully tendered for the manufacture of excavator buckets and off highway truck bodies for the east coast coalfields and have firmly established our Brisbane facility as a quality supplier of our JEC range of mining products on the east coast, previously only available from our Perth facility.

The recent announcement of the award of a national contract for 2 years from an international OEM for tray bodies coupled with the order to supply tray bodies to Africa is a major success for the company and again justifies our strategy. The directors and senior management have during the year, reviewed the strategic plans for the group and I can report that the implementation of the plans are proceeding favourably as evidenced by the acquisition of Kaldura Industries, the success in Oman and the orders for mining products from the Brisbane facility. We expect this process to continue with further acquisitions in the near future and as we adopt a well structured approach to ensure that acquisitions fit the strategic goals we have in place, we expect any future acquisitions to be earnings positive as have the acquisitions of Johns Engineering and Kaldura Industries.

We have declared a fully franked dividend of 2 cents per share for 2005/2006 which was a 100% increase over the previous year.

In terms of current year guidance, based on the first four months of trading we are expecting a first half result in the range of \$3.25 to 3.75 million profit before tax. With the current work-loading stretching out til the financial year end we are also expecting a strong second half.

I commented in my address last year on the performance and dedication of the management nationally in ensuring the progress and success of the Group and on your behalf I would like to congratulate them on the results achieved in the last financial year. In addition to management I would also like to thank the CEO and my fellow Directors. We are a small and dedicated board and we have delivered on the course we outlined last year and are well prepared for the year ahead.

End:

For further information, contact Johan Andersson 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 (John's 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.