

AUSTIN COMPLETES \$6.9 MILLION CAPITAL RAISING

Brisbane, 5 July 2007: The Board of Directors of Austin Engineering Limited (ASX Trading code: **ANG**) is pleased to advise that the Company has completed a \$6.9 million capital raising. Of this, \$4.6 million has been raised from the Share Purchase Plan ("SPP") announced on 29 May 2007 and \$2.3 million has been raised from a placement of shares.

The SPP closed with applications for 3.186 million shares. Approximately 42% of eligible shareholders participated in the issue. All valid applications within the terms and conditions of the SPP were accepted resulting in \$4.6 million being raised.

The placement of shares, as anticipated in the SPP announcement on 29 May 2007, was managed by Southern Cross Equities Limited and was supported by institutions. Under the placement, 1.5 million shares will be issued at \$1.53 per share to raise around \$2.2 million after capital raising costs.

Funds raised under the SPP and the placement will be used to retire bank debt associated with the purchase of the Austbore business in April 2007 as well as to provide additional working capital and funds to consider potential business acquisitions.

The Board of Austin would like to thank shareholders for their continuing support for the Company. It is expected that the allotment of shares applied for under the SPP will take place on 5 July 2007, with holding statements being despatched on 6 July 2007. The allotment of shares under the placement is expected to take place on or around 11 July 2007.

End

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

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Brisbane, Perth and Mackay. The Brisbane facility provides fabrication facilities servicing the mining, oil, gas and industrial sectors. Key product lines include structural steel, mineral processing equipment, dump truck bodies and excavator buckets. The Perth and Mackay facilities manufacture and assemble products including dump truck bodies, excavator buckets, materials handling equipment and large service vehicles as well as providing machining and lineboring services for the resources industry. Austin owns 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.