

Notice of General Meeting

Notice is hereby given that a General Meeting of Austin Engineering Limited (the "Company") will be held at the offices of DLA Phillips Fox, Level 28 Waterfront Place, 1 Eagle Street, Brisbane on 20 July 2009 at 10.00am (Brisbane time).

AGENDA

Resolution 1- Approval for the issue of shares

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That, for the purposes of listing rule 7.1, and for all other purposes, shareholder approval is given, with immediate effect, to the issue of a total of 10,927,643 fully paid ordinary shares at an issue price of \$1.45 per share to the class of persons named in the Explanatory Memorandum accompanying this notice of meeting.'

Voting exclusion statement

The Company will disregard any votes cast on resolution 1 by any allottee of the shares and any associate of the allottee. However, the Company will not disregard a vote if:

- a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

Resolution 2 - Approval to refresh the Company's 15% placement capacity

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That, for the purposes of listing rule 7.4, and for all other purposes, shareholder approval is given, with immediate effect, to the issue of up to 7,036,840 fully paid ordinary shares on 22 June 2009 to the class of persons named in the Explanatory Memorandum accompanying this notice of meeting.'

Voting exclusion statement

The Company will disregard any votes cast on resolution 2 by any allottee named in the Explanatory Memorandum accompanying the notice of meeting and any associate of allottees of the shares. However, the Company will not disregard a vote if:

- a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

Resolution 3 - Approval of placement of shares to Director- Michael Buckland

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 10.11, and for all other purposes, shareholder approval is given, with immediate effect, to the issue of a total of 25,000 fully paid ordinary shares in the Company at an issue price of \$1.45 per share to Michael Buckland, and 25,000 fully paid ordinary shares in the Company at an issue price of \$1.45 per Share to Redcentre Pty Ltd ACN 098 212 965.'

Voting exclusion statement

The Company will disregard any votes cast on resolution 3 by Michael Buckland and Redcentre Pty Ltd ACN 098 212 965, and any associates of Michael Buckland and Redcentre Pty Ltd ACN 098 212 965. However, the Company will not disregard a vote if:

- a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

(Cont'd)

Resolution 4 - Approval of placement of shares to Director- Paul Reading

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 10.11, and for all other purposes, shareholder approval is given, with immediate effect, to the issue of a total of 34,483 fully paid ordinary shares in the Company at an issue price of \$1.45 per share to Parawi Nominee Pty Limited ACN 062 870 731.'

Voting exclusion statement

The Company will disregard any votes cast on resolution 4 by Parawi Nominee Pty Limited ACN 062 870 731 and any associates of Parawi Nominee Pty Limited ACN 062 870 731. However, the Company will not disregard a vote if:

- a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

Resolution 5 - Approval of placement of shares to Director- Eugene Fung

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purposes of Listing Rule 10.11, and for all other purposes, shareholder approval is given, with immediate effect, to the issue of a total of 20,000 fully paid ordinary shares in the Company at an issue price of \$1.45 per share to Cindy Dean'.

Voting exclusion statement

The Company will disregard any votes cast on resolution 5 by Cindy Dean and any associate of Cindy Dean. However, the Company will not disregard a vote if:

- a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

By order of the Board

Colin Anderson
Company Secretary

19 June 2009

NOTES

1. For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the voting entitlements for the purposes of the Meeting will be based on the registered holdings as at 7.00pm (Brisbane time) on 18 July 2009. Accordingly those persons will be entitled to attend and vote at the meeting.
2. You may vote by attending the Meeting in person, by proxy, attorney or authorised representative.
3. A proxy form is enclosed with this Notice. If an additional proxy form is required, the Company's share registry will supply it on request.
4. Each shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then each proxy may exercise one-half of the votes. Fractions of votes will be disregarded. A proxy need not be a shareholder of the Company.
5. To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 48 hours before the meeting:
 - a) at its registered office at 173 Cobalt Street, Carole Park, Qld 4300;
 - b) by facsimile to its registered office on fax number +61 7 3271 3689; or
 - c) at its share registry, Advanced Share Registry Services:
150 Stirling Highway, Nedlands, WA, 6909
PO Box 1156, Nedlands, WA, 6909
or fax number +61 8 9389 7871.
6. Proxies given by any corporate shareholder must be executed in accordance with its constitution, or under the hand of a duly authorised officer or attorney.

Explanatory statement to Notice of General Meeting

This statement has been prepared to assist members with their consideration of items of business proposed for the Company's General Meeting ("GM") to be held on 20 July 2009.

Background

On 16 June 2009 the Company announced to ASX that it had completed a capital raising to fund the acquisition of a leading Chilean steel dump truck business for cash consideration of US\$19.6 million (A\$24.8 million¹) (**Acquisition**). The Acquisition will be conditional upon a due diligence by the Company, finance (to be satisfied by the capital raising), and signing of final contract documentation.

Under the capital raising, the Company has agreed to place 17,964,483 new shares to institutional and sophisticated investors at \$1.45 per share to raise \$26 million (**Placement**). The Placement comprises the following two tranches:

- **Tranche 1:** 7,036,840 fully paid ordinary shares being issued to raise approximately \$10.2 million under the Company's 15% placement capacity (pursuant to ASX Listing Rule 7.1); and
- **Tranche 2:** 10,927,643 fully paid ordinary shares being issued to raise approximately \$15.8 million subject to shareholder approval, completion of a due diligence on the Acquisition, and the signing of final contract documentation for the Acquisition.

The Company will also offer its current shareholders with a registered address in either Australia or New Zealand (**Eligible Shareholders**), an opportunity to participate in a Share Purchase Plan (**SPP**). Eligible Shareholders will be entitled to subscribe for up to \$5000 worth of new shares at \$1.45 per share. The SPP will be capped at a \$5 million raising, with any scale back to be undertaken on a pro rata basis. The record date for determining entitlements will be 7.00pm AEST on 12 June 2009

Resolution 1 - Approval for the issue of shares

Shareholder approval is sought under listing rule 7.1 for the issue of up to 10,927,643 fully paid ordinary shares (the Tranche 2 shares) at an issue price of \$1.45 per share.

The Company provides the following additional information in accordance with listing rule 7.3:

- The allottees are clients of Southern Cross Equities Limited and Argonaut Securities Pty Limited and are sophisticated or professional investors, as defined in sections 708(8) and 708(11) of the *Corporations Act 2001* (Cth);
- The shares will be ordinary fully paid shares having the same rights and obligations as the Company's issued fully paid ordinary shares;
- All funds received from the issue of the shares will be applied by the Company towards the Acquisition; and
- If approved, the Company will allot and issue the shares on 23 July 2009 and in any event by no later than three months after the date of the meeting.

The effect of obtaining shareholder approval for the proposed issue of shares will be that the share issue will be treated as having been made in accordance with listing rule 7.1, and, as a result, the Company's ability to issue the number of shares permitted under listing rule 7.1 without shareholder approval will not be affected by the issue of the shares.

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Resolution 2 - Approval to refresh the Company's 15% placement capacity

Under listing rule 7.1, a listed company is prohibited from issuing or agreeing to issue equity securities without shareholder approval if in doing so it would mean that the number of equity securities issued in the preceding 12 month period would exceed 15% of the number of fully paid ordinary shares on issue at the beginning of the 12 month period.

However, under listing rule 7.4, an issue of shares made without specific approval under listing rule 7.1 is treated as having been made with approval for the purpose of listing rule 7.1 if the original issue did not breach listing rule 7.1, and is subsequently approved by ordinary shareholders.

The Company issued 7,036,840 fully paid ordinary shares (the Tranche 1 shares) at an issue price of \$1.45 per share, without shareholder approval under listing rule 7.1.

By issuing the shares the Company has substantially used its 15% placement capacity under listing rule 7.1. Accordingly, the Company wishes to restore its placement capacity by seeking approval under listing rule 7.4 for the issue of the shares.

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¹ Assuming a AUD/USD exchange rate of 0.79

The Company provides the following additional information in accordance with listing rule 7.5:

- The date of issue was 22 June 2009.
- The Tranche 1 shares were allotted to clients of Southern Cross Equities Limited and Argonaut Securities Pty Limited.
- All funds received from the issue of the shares will be applied by the Company towards the Acquisition.

The Directors recommend that shareholders vote in favour of this resolution.

Resolutions 3, 4 and 5 - Approval of placement of shares to Michael Buckland, Paul Reading and Eugene Fung

Three Directors of the Company, Michael Buckland, Paul Reading, and Eugene Fung, wish to support the Placement and apply for Tranche 2 shares. Under listing rule 10.11 a listed company is prohibited from issuing or agreeing to issue shares to a related party (which includes a Director) without the approval of shareholders. Accordingly, shareholder approval is sought for the participation by those Directors in Tranche 2 of the Placement.

The shares will be issued to the Directors at \$1.45 per fully paid ordinary share, the same price offered to sophisticated and professional investors under the Placement, and to eligible shareholders under the SPP.

The Company provides the following additional information in accordance with listing rule 10.13:

Director	Subscribing Entity	Relationship to Director	Number of shares subscribed	Amount subscribed
Michael Buckland	Michael Buckland	N/A	25,000	\$36,250
Michael Buckland	Redcentre Pty Ltd ACN 098 212 965	Michael Buckland is the controller of Redcentre	25,000	\$36,250
Paul Reading	Parawi Nominee Pty Limited ACN 062 870 731	Paul Reading is the controller of Parawi	34,483	\$50,000
Eugene Fung	Cindy Dean	Spouse	20,000	\$29,000
TOTAL			104,483	\$151,500

- All funds received from the issue of the shares will be applied by the Company towards the Acquisition.
- If approved, the Company will allot and issue the shares on 23 July 2009 and in any event by no later than one month after the date of the meeting.

If shareholder approval is given under listing rule 10.11, shareholder approval for the issue of shares is not required under listing rule 7.1.

The Directors (with Michael Buckland, Paul Reading and Eugene Fung abstaining) recommend that shareholders vote in favour of these resolutions.

Proxy Form

If your address as shown here is incorrect mark "X" here and write correct address

Step 1 - Appointment of Proxy

I/we being member/s of **Austin Engineering Limited** and entitled to attend and vote hereby appoint

The Chairman
of the Meeting
(mark with an "X")

OR

Write here the name of your proxy if someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the **Chairman of the Meeting**, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of the Company to be held at the offices of DLA Phillips Fox, Level 28 Waterfront Place, 1 Eagle Street, Brisbane, on 20 July 2009 at 10.00am (Brisbane time).

Step 2 - Proxy Voting Instructions

If you wish to instruct your proxy how to vote, insert "X" in the appropriate box against each Resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as they think fit or abstain from voting.

	<i>For</i>	<i>Against</i>	<i>Abstain</i>
<i>Resolution 1 – Approval for the issue of shares</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Resolution 2 – Approval to refresh the Company's 15% placement capacity</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Resolution 3 – Approval of placement of shares to Director-Michael Buckland</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Resolution 4 – Approval of placement of shares to Director-Paul Reading</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Resolution 5 – Approval of placement of shares to Director-Eugene Fung</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Step 3 - Signature of Securityholders - This section must be completed

Individual or first shareholder

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

This section must be signed in accordance with the instructions overleaf to enable your directors to be implemented. In addition to signing the proxy form, please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone Number

How to complete this Proxy Form

1. Your name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. Security holders sponsored by a broker should advise their brokers of any changes. **Please note: you cannot change ownership of your securities using this form.**

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3. Voting on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shares will be voted in accordance with such directions unless you indicate only a portion of your voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they chose. If you mark more than one box against a Resolution your vote on that resolution will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and to vote on your behalf. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry (see contact details below) or you may copy this Proxy Form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that Proxy Form. If the Proxy Forms do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half of your votes. Fractions of votes will be disregarded.
- (b) Return both forms together in the same envelope.

5. Signing Instructions

You must sign this Proxy Form as follows in the spaces provided:

- Individual:** where the holding is in one name, the holder must sign.
- Joint holding:** where the holding is in more than one name, all of the shareholders must sign
- Power of attorney:** to sign under Power of Attorney, you must have already lodged the Power of Attorney with the Company's share registry. If you have not previously lodged the Power of Attorney, please attach a notarially certified photocopy of it to this Proxy Form when you return it.
- Companies:** where the company has a sole director who is also the company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a company secretary, a sole director can sign alone. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry (see address details below).

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the share registry address given below **not later than 48 hours before** the commencement of the meeting i.e. no later than 10.00am on 18 July 2009. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Address of Company's Share Registry

Proxies can be delivered, mailed or faxed to:
Advanced Share Registry Services
150 Stirling Highway, Nedlands, Western Australia, 6009
PO Box 1156, Nedlands, Western Australia 6909

Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871