

**Brisbane, 31 May 2011:** The Directors of Austin Engineering Ltd are pleased to advise that it has signed a strategically important contract with Xstrata-Peru for the supply of trays for all new trucks over the next 3 years for its Las Bambas and Antapacay mines. The order was won over international competition and further enhances the Company's products and abilities in South America.

Details of the contract are as follows:

- Initial order for 60 trays with Delivery commencing in June 2011 to June 2013.
- Up-front payment of USD 7.8 million.
- Extension to the larger stage 2 (2013-16) should all parties be satisfied over the initial stage 1 period (3 years).
- Talks will commence shortly on a maintenance contract for the trays.
- Talks will also commence on a contract for replacement trays for existing trucks and other equipment.
- Austin Engineering will have a facility in Arequipa (Peru) to assemble and provide maintenance services to Xstrata (the trays will be flat-packed from the Chilean facility and assembled in Peru)
- Austrade has assisted Austin in the process of entering the Peruvian market so far, and Austin will be commissioning them to facilitate the identification of possible acquisition targets (as was the case in Colombia and Brazil).

Commenting on the contract win, Managing Director Michael Buckland stated, "This contract continues our belief that South America will form the biggest part of the group's revenue in years to come and delivers on our strategy. The contract win and start-up of operations in Peru follows the company's strategic plan of having facilities in all the key mining areas of South America. Peru is currently spending billions on mining projects and this amount is expected to increase over coming years, bringing Peru in-line with the larger mining countries such as Brazil and Chile. The awarding of this contract and the facility in Arequipa will place Austin in an excellent position for the discussions on maintenance, replacement trays and other equipment which will commence shortly".

For further information on the above contract award please contact Managing Director, Michael Buckland or Chief Financial Officer, Colin Anderson on +61 7 3271 2622.