

Acquisition of Business Divisions of Petroceros S.A.C in Peru

Brisbane, 20 April 2012: The Directors of Austin Engineering (ASX trading code: ANG) are pleased to announce the acquisition of two mining services divisions of Petroceros S.A.C in Peru.

The acquisition further enhances Austin's exposure to the rapidly increasing mining industry in Peru as well as the wider South American mining services market.

Highlights of the acquisition include:

- Normalised annual EBITDA of AUD 1.5m (based on the profitability of its current products and services), with the introduction of Austin's existing range of products expected to lead to increased profitability
- The 'FRM' division manufactures tray bodies, buckets and other mining equipment as well as undertaking repairs of such equipment
- The site division currently has two site-based maintenance contracts for the repair of equipment until 2013
- Complementary and alternative designs of mining equipment will increase the range of products Austin can offer customers
- Total of 219 employees
- Purchase price of USD 5.69m with completion and take-over of the business on 20th April 2012
- Total net assets acquired of USD 0.77m
- Austin will also acquire two properties for an additional USD 0.67m once all titles have been transferred
- One of these properties is the current facility in Lima, the other a vacant block adjoining the current one
- Funded from existing cash reserves and bank facilities
- EPS accretive

The FRM division has been operating since 1984 from a plant in Lima in Peru. It designs, manufactures and repairs its own range of dump truck bodies and buckets mainly for Peru-based customers but also for other mining customers in Chile, Argentina and Bolivia.

The site maintenance division has two contracts for the maintenance of mobile mining equipment, such as dump truck bodies, for the Yanacocha and Antamina mine sites in Peru. These contracts currently continue until 2013, when they are due for renegotiation.

Commenting on the acquisition, Managing Director Michael Buckland said "The purchase of the two divisions of Petroceros continues Austin's plan to become a major supplier of mining products and services throughout South America. We believe that our existing products and service capabilities, when added to those of the current Petroceros business, will deliver substantial increases in market share and growth within the Peruvian market. Petroceros' exposure to site maintenance operations will also enable us to immediately undertake the maintenance aspect of the large contract awarded to Austin by Xstrata Peru in June 2011 for the supply and maintenance of a large number of dump truck bodies."

"Following completion of the Chilean La Negra facility in July 2011 and the expected commencement of operations in the new Colombian facility in April 2012, the Petroceros business places Austin in a dominant position for the manufacture and maintenance of mining products in South America" he said.

This new business will be headed by Tim Mitchell following his appointment to the position of General Manager, Peru. Tim is an engineer with significant experience in the manufacture of mining equipment and in his previous employment has had recent responsibilities for operations in South America. Tim commenced employment with the Company on 1st March 2012.

(Cont'd)

Acquisition of Business Divisions of Petroceros S.A.C in Peru

(Cont'd)

Existing management of the divisions will remain with Austin and the previous Managing Director of Petroceros will remain to offer advice and business support for a period of three months.

End

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

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, the USA, South America, Indonesia and the Middle East. The Australian facilities manufacture, assemble, repair and maintain (on and off-site) products used in the mining and resources sector. Key product lines include dump truck bodies, large service vehicles, excavator buckets, materials handling equipment, mineral processing equipment, industrial radiator and cooling products as well as large structural steel projects. The USA facility (Westech) based in Casper, Wyoming, services the North American mining markets and is an industry-leading designer and manufacturer of specialised lightweight dump truck bodies. The Chile and Indonesian operations manufacture dump truck bodies and other mining products for the South American and Indonesian markets. The Middle East operation principally services the aluminium smelter industries in the region. Austin also own rights to innovative welding processes which have been introduced to improve welding productivity. Robotic welding systems are also used for product lines, general fabrications and repetitive production processes.