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ASX ANNOUNCEMENT

Major Chilean Contracts Awarded

The Directors of Austin Engineering are pleased to announce the award of 2 major contracts to Austin Ingenieros Chile.

Both contracts have been awarded by Compania Minera Dona De Collahausi SCM (Collahausi). Collahausi operate the second largest Copper mine in Chile and have a fleet of over 110 dump trucks. It is the intention of the mine to significantly increase production over the next 5 years.

Both contracts are expected to commence in August 2014. The minimum revenue of the combined base contracts, for their initial periods only, is \$15 – 18 million. Increases to this will depend on the quantity of repairs and replacements required, as well as the scale and rate of production increases on site. Extensions to these initial terms, included in the contracts, will also increase the value.

The first contract is for the supply of all new and replacement tray bodies as well as the offsite maintenance of the existing fleet. The initial term of this contract is 3 years, with 6 x 1 year extensions, which would take the maximum term up to 9 years.

The second contract is for the supply of site labor for maintenance of equipment onsite. The initial term of this contract is 2 years, with 6 x 1 year extensions, which would take the maximum term up to 8 years.

These contracts, combined with the recently announced multi-year maintenance & crane contracts, reinforce the continued long term sustainable earnings of the company.

Commenting on the award Managing Director Michael Buckland said:

“The two contracts have been under negotiation for 6 months and it is very pleasing to finally see the award of these contracts to the company.

Collahausi has made the decision to standardise on the Westech design and we will be replacing the current non-Westech tray bodies with new Westech bodies as their current fleet wears out. We expect to be repairing a minimum of 2 trays per month which will also give the La Negra operation a solid base load. As the mine expands all new trucks will be fitted with Westech trays and the replacement cycle is expected to commence in the second half of the calendar year.

The provision of site personnel will also allow the company to oversee the flow of work offsite; complete minor onsite repairs as well as advise the mine on the condition of the operating fleet.

The decision to use the Westech design was made after extensive internal studies which included aspects including design benefits, working life, payload, and wear factors between the three suppliers.

This will be an excellent reference point for the company going forward and the model can be utilised for other miners.

On a related note, Austin Ingenieros will also be tendering on the maintenance and repair of digging equipment for the mine”.

For further information on the above, please contact Managing Director Michael Buckland, or Chief Financial Officer Scott Richardson, on +61 7 3271 2622.