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ASX ANNOUNCEMENT

6 August 2014

Acquisitions Update

The Directors of Austin Engineering Limited (ASX trading code: ANG) would like to announce that the transaction to acquire 75% of the shares in the South African mining attachment business, Van Reenen Steel Pty Ltd ("VR Steel") has been officially terminated.

Over the past three months Austin Engineering and VR Steel have been working on concluding the acquisition. However, since the original announcement, the underlying fundamentals of the deal have significantly changed due to a protracted labour union strike in the Metal Workers Industry in South Africa in July and other financial issues which could not be resolved.

Both parties have agreed to continue building on the strong relationship that has been formed, with the intent to collaborate on new sales opportunities in respective regions.

The senior lending arrangements are not affected by Austin's withdrawal from the proposed acquisition.

Other Potential Acquisitions

Austin advises that due diligence has continued on the further two acquisitions mentioned previously. Both of the proposed acquisitions are EPS accretive and will add significant value to the company should they proceed. One of the acquisitions is more advanced than the other and the company is aiming to make a decision in relation to it around the end of August. Investors and shareholders should be aware that there is no assurance that any discussions will be successful or that any transaction will eventuate from the current or any future discussions. Conjecture about the outcome of these discussions or any resulting transaction is premature.

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

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, the USA, South America, and Indonesia. 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 and Canadian mining markets and is an industry-leading designer and manufacturer of high-efficiency dump truck bodies. The operations located in Chile, Peru and Colombia manufacture, repair and maintain dump truck bodies and other mining products for their respective markets and, in Chile, also provide specialised heavy equipment lifting and transportation services for mining and industrial markets. The Indonesian production facility on Batam Island serves the equipment and service needs of mining and oil and gas-related customers in Indonesia and Asia. Austin also own rights to innovative and automated welding processes and these have been introduced into operations in order to improve production efficiencies. For more information visit www.austineng.com.au.