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ASX Announcement – Operational Update

Brisbane, 8 May 2015: (Austin Engineering Limited - ASX trading code: ANG)

The Directors of Austin Engineering are pleased to provide an operational update following the success in securing a number of contracts and orders.

Americas

In Chile, the Company's Servigrut crane hire division has secured a 5 year contract extension with the El Abra mining group. El Abra is currently the division's major client and the 5 year extension will provide a substantial base load for what has become an important contributor to the Company's Chilean businesses.

El Abra has also awarded the Company's La Negra operation in Chile an order for the design and manufacture of 9 tray bodies to be delivered by the end of June.

The maintenance division in Chile has been awarded a new mine maintenance contract for the Antofagasta minerals Centinela mine. The initial contract is for 40 people for a period of 6 months with a fixed 3 year contract to be negotiated. The initial contract will commence in June.

The Colombian operation recently announced a 3 year contract for the supply of maintenance personnel to Prodeco's port. The Company has also just secured a further 6 month extension to the existing 2 mine contract for the supply of 300 personnel for maintenance on its mining equipment, as it finalises negotiations to establish a formal 3 year contract for this work. Prodeco has also issued Austin Engineering with its first orders for 2 tray bodies with delivery in June/July. Cerrejon has also placed its first order for a tray body and once proven should lead to further orders.

The Company's operation in Wyoming is currently experiencing soft demand in the USA due to miners delaying expenditure on equipment. However, this division has recently completed its first orders into Mexico, with more on the way. There also continues to be an encouraging level of enquiries from the Canadian Oil Sands.

Australia

The Company's East Coast operations have been successful with a number of tenders:

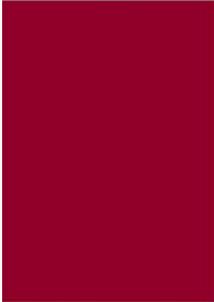
- 3 x large belly dumpers for a Queensland operation (total of 17000 hours labour)
- 14 x T282 ultra class tray bodies for a Queensland coal mine
- 4 x tray bodies for a Hunter Valley coal mine

Delivery for the 21 bodies will be between June and October.

The Hunter Valley operation has been awarded a 2 year contract for onsite maintenance at a local mine. This project will commence in July.

The Company's COR Cooling operations have been successful with 2 long term contracts;

- A 3 year contract in WA with a major miner for supply, service and repair of equipment
- A 2 year contract in NSW for the service and supply of parts to a major miner



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ASX Announcement – Operational Update (continued)

Australia (continued)

The company's West Coast operations continue to receive high levels of repair work from the major miners within their service agreements. This is providing a good base load of work which will enable efficiencies to be realized from orders for new and replacement equipment.

Asia

The Indonesian operation is currently operating at a very high level on existing Indonesian projects and recent orders for equipment into Africa.

Commenting on the recent contracts/ orders Managing Director Michael Buckland said "The orders received for the East Coast are the first significant orders received for over 12 months within those operations. They will provide an excellent start to the new financial year.

Contracts and orders received within the South American operations continue to build a long term base load. We are also seeing the benefit of holding base maintenance contracts, with our people having direct access to decision makers, which enables Austin to proactively offer design/productivity improvements. We have received a number of orders for our products from new clients that previously used our competition and find once we are onsite and proven, follow up orders are received.

The receipt of first time orders, for our equipment, from Prodeco and Cerrejon will most certainly lead to further orders in the near future.

What we are seeing in Austin is a gradual build-up of our base workload, underpinned by long term contracts. This base load is providing operational stability and will also enable efficiencies/higher margins to be realised from orders for new and replacement equipment, as the cycle turns and the replacement of equipment picks up".

End

For further information on the above, 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, Mexican 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.