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ASX ANNOUNCEMENT (ASX Code: ANG)

9 November 2016

Austin Engineering Completes \$8.4 million Share Placement

Austin Engineering Limited (“Austin” or “Company”) is pleased to announce that it has successfully completed a placement of ordinary shares to a range of existing and new institutional investors (“Placement”).

The Placement raised approximately \$8.4 million through the issue of 52.6 million fully paid ordinary shares at an issue price of 16 cents per share, representing a circa 13.5% discount to the last closing price of the Company’s shares of 18.5c on 7 November 2016 and a 17.1% discount to the 10 day volume weighted average price of 19.3c to 7 November 2016.

Significant investor demand resulted in the Placement being significantly oversubscribed at the offer price.

The proceeds of the Placement will be used for working capital purposes to fund recent and expected orders as well as to support the ancillary working capital requirements of the business.

Austin refers to its market disclosure on Thursday, 3 November 2016 relating to its operating performance and financial results. Austin notes that it has a strong set of orders received for production in the second half of this financial year. Its tender pipeline is stronger than in recent periods, with a large number of tenders under assessment and expectations of a high success rate flowing from these opportunities. Austin sees this as encouraging in respect of the outlook for the replacement of installed product capacity in its industry and for the mining sector more broadly.

Austin Executive Chairman Mr Peter Pursey said “Austin welcomes further investor support for the company. These proceeds will provide support to allow Austin to capitalise on its opportunity for strong product supply and site services work during calendar 2017.”

The Placement is expected to settle on Monday, 14 November 2016 and the Placement shares will be issued on or about Tuesday, 15 November 2016 and will rank equally with the Company’s existing shares on issue. Shareholder approval for the proposed issue will not be sought as the issue of shares under the Placement are within the Company’s existing placement capacity.

Blue Ocean Equities Pty Ltd is the sole lead manager and book runner to the Placement.

Flagstaff Partners is acting as financial adviser to the Company.

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For investor enquiries, please contact Peter Pursey (Executive Chairman) or Christine Hayward (Chief Financial Officer and Company Secretary) on +61 7 3271 2622

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austinengineering^{LTD}

Important Notice

This announcement is not an offer or an invitation to acquire securities. In particular, this release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US Person' as defined in Regulation S under the US Securities Act of 1933 (**Securities Act**) (**US Person**) or in any other jurisdiction. This announcement may not be released or distributed in the United States or to any US Person. Any securities described in this announcement have not been, and will not be registered under the Securities Act or the securities law of any state or other jurisdiction of the United States, and may not be offered or sold in the United States, or to, or for the account of or benefit of, any US Person, except in a transaction exempt from, or not subject to, the registration requirements under the Securities Act.

About Austin Engineering: Austin Engineering Limited is an engineering company with manufacturing facilities in Australia, Indonesia, the and South America. 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, water tanks, excavator buckets and materials handling equipment. Austin site services divisions in our Australian and South American operations provide specialised field services to the mining industry. 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. 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 and water tanks. 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. 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.