

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Austin Engineering Limited

ABN

60 078 480 136

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- |   |                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued                                                  | Fully paid ordinary shares                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approximately 70,228,337 ordinary shares pursuant to the terms of the underwritten accelerated non-renounceable entitlement offer ( <b>Entitlement Offer</b> ) announced to the market on 20 July 2015.<br><br>The final number of shares issued under the Entitlement Offer, and the split of those shares between the institutional and retail tranches of the Entitlement Offer, will be subject to shareholding reconciliation and rounding. |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Fully paid ordinary shares</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The shares issued will rank equally with all existing shares from the date of issue.</p>
<p>5 Issue price or consideration</p>	<p>\$0.45 per share.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised from the Entitlement Offer will be used for debt reduction purposes.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>

6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	The proposed issue date for the institutional tranche of the Entitlement Offer is Wednesday 29 July 2015. The proposed issue date for the retail tranche of the Entitlement Offer is Thursday 13 August 2015.

+ See chapter 19 for defined terms.

8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="686 448 989 492">Number</th> <th data-bbox="989 448 1286 492"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 492 989 716">Up to 70,228,337* <i>*(Subject to the effects of rounding under the Entitlement Offer)</i></td> <td data-bbox="989 492 1286 716">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	Up to 70,228,337* <i>*(Subject to the effects of rounding under the Entitlement Offer)</i>	Fully paid ordinary shares	
Number	<sup>+</sup> Class						
Up to 70,228,337* <i>*(Subject to the effects of rounding under the Entitlement Offer)</i>	Fully paid ordinary shares						
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="686 761 989 806">Number</th> <th data-bbox="989 761 1286 806"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 806 989 1030">1,150,299</td> <td data-bbox="989 806 1286 1030">Performance Rights</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	1,150,299	Performance Rights	
Number	<sup>+</sup> Class						
1,150,299	Performance Rights						
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged.					

## Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-Renounceable
13	Ratio in which the <sup>+</sup> securities will be offered	5 new shares for every 6 shares held on the Record Date.
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	Fully paid ordinary shares.
15	<sup>+</sup> Record date to determine entitlements	7pm (Sydney time) Thursday 23 July 2015
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No

17	Policy for deciding entitlements in relation to fractions	Rounded up to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	For the institutional tranche of the Entitlement Offer, all countries other than Australia, New Zealand, Singapore, Hong Kong and the United Kingdom.  For the retail tranche of the Entitlement Offer, all countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	For the institutional tranche of the Entitlement Offer Tuesday 21 July 2015.  For the retail tranche of the Entitlement Offer, 5pm (Sydney time) Monday 10 August 2015
20	Names of any underwriters	Argonaut Capital Limited Bell Potter Securities Limited
21	Amount of any underwriting fee or commission	An underwriting selling fee of 2.0% for the Entitlement Offer and an offer management fee of 3.0% of the proceeds of the Entitlement Offer.
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus or product disclosure statement is being prepared. A retail entitlement offer booklet and personalised entitlement and acceptance forms will be sent to eligible retail shareholders on Monday 27 July 2015.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Monday 20 July 2015
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Issue date	<p>The proposed issue date for the institutional tranche of the Entitlement Offer is Wednesday 29 July 2015.</p> <p>The proposed issue date for the retail tranche of the Entitlement Offer is Thursday 13 August 2015.</p>

### Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities  
(tick one)
- (a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

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+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.



Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  ..... Date: 20 July 2015  
Managing Director  
Print name: Michael D Buckland

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+ See chapter 19 for defined terms.

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
“C”	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract</b> “C”  <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<p><b>“A”</b></p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
<b>Step 2: Calculate 10% of “A”</b>	
<p><b>“D”</b></p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p><b>Multiply “A” by 0.10</b></p>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<p><b>“E”</b></p>	

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

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