Austin Engineering Ltd

Capital Raising Presentation

May 2016

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Disclaimer

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Executive Summary

- Austin Engineering Ltd ("**Austin**") is a leading global designer and manufacturer of large yellow goods componentry and maintenance services to the mining industry. Austin is undertaking a significant recapitalisation to enable the Company to take advantage of upswings in demand post capital raising because:
  - Austin's senior secured syndicated debt will be fully repaid and net debt post raising substantially reduced to manageable levels
  - Significant cost reductions have been implemented to ensure existing EBITDA is preserved and grown from cyclical lows
  - Diversification of the existing customer base continues to occur across both clients and commodities
  - Operations continue to be streamlined and product diversification promoted across Austin's existing customer base
- Austin is undertaking a capital raising of circa $29.7 million which consists of the following:
  - A share placement for approximately $1.67 million at an offer price of $0.08/share; and
  - A 2-for-1 fully underwritten renounceable entitlement offer to all eligible shareholders to raise ~$28.1 million at an offer price of $0.08/share (together the "Capital Raising")
- The proceeds of the Capital Raising will be used to:
  - Repay all senior secured syndicated debt; and
  - Repay the term loan.
- Post the capital raising Austin's balance sheet is expected to have the flexibility required to support the capital requirements of the company

Investment Thesis

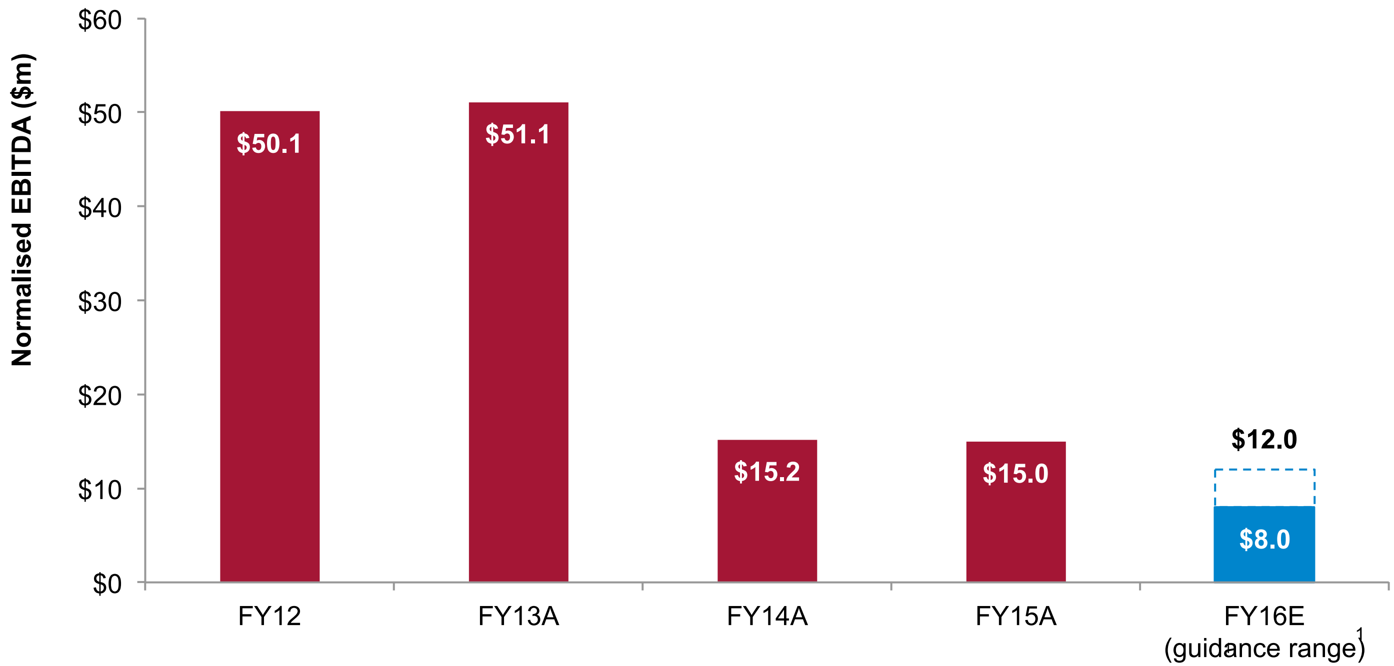
1. **Austin has grown its maintenance businesses which provide a base-level of sustainable earnings**
   - Austin has grown its recurring revenue base to ~55% of sales over the past 12 months. This provides a platform that generates approximately $120 million of revenue per annum
   - This allows Austin to maintain strong relationships with customers which is strategically important for securing new product orders

2. **Product based businesses have market leading positions with substantial revenue upside as mining customers begin ordering again**
   - Tray businesses, which generate the majority of Austin's product revenue, have strong market share in their respective markets
   - It is expected there will be substantial demand for tray and other Austin products due to the replacement cycle of the installed equipment base
   - Austin expects materially higher revenues from tray and other product based businesses as the investment cycle turns

3. **Post the Capital Raising, Austin will have fully repaid its senior syndicated facilities which right-sizes the balance sheet for the current market environment**
   - The capital raising provides Austin the flexibility required to support the capital requirements of the company

Earnings Guidance

- The Company reported 1H16 normalised EBITDA of $3.8m and revised full year guidance
  - FY16 normalised EBITDA is expected to be between $8m to $12m
  - Austin is forecasting stronger orders and higher volumes, which will lift productivity in its manufacturing facilities, when compared to 1H16
- Austin's maintenance businesses have grown to c. 55% of total revenue (c. $120m per annum[2]), which provides a solid base from which to continue rebuilding the business



1. See Appendix for the forecast FY16 normalised EBITDA methodology
2. LTM reported services revenue of $122.1m, making up 56.5% of total revenue

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Austin Engineering Business Outlook

Austin has recently secured a number of new contract wins and orders while continuing to grow its maintenance business

Americas:

- Chile has recently been awarded an off-site repair contract with a major client worth $11m of revenue over two years
- The Antofagasta Minerals maintenance contract in Chile has been increased by the client, now worth $1.5m over three years
- Peru recently secured an order for 6 trays from a large mining client and a 3 year maintenance contract with Prodeco in Colombia has also been committed
- 3 year contract, with a 3 year extension option, with Chilean state copper producer Codelco at its Chuquicamata mine - the contract is for 6 cranes and is expected to generate in excess of $1m per annum in EBITDA contribution. The contract commenced in late January 2016
- 8 tray bodies for local mining companies ZAMine Service Peru, Minera Cinalo and Southern Peru Copper
- Westech's operations in Wyoming secured a new order for 17 trays. Westech continues to have a significant amount of outstanding tenders waiting on mining companies head office approval. The focus for the year is on growing sales for the company's range of buckets and continuing to secure new clients in Mexico and Canada
- The trend of mining company spending cuts continues across the Americas region

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Austin Engineering Business Outlook

Australia:

- Perth recently secured an order for 32 trays for a major iron ore producer to be delivered across 2016 and 2017
- The Perth based Site Services operation recently completed a major specialist repair order in Zambia and is in talks for additional work within Africa
- Hunter Valley operations continue to win new work consisting of a mixture of new products and maintenance contracts. This operation has improved significantly over the past 3 months with onsite/offsite maintenance and repairs now forming a major part of the business
- Positive signs with replacement orders starting to come through as announced to the ASX on 18 May, 2016
- Continue to focus on opportunities to grow the maintenance business

Asia:

- The Indonesia business on Batam Island has secured a large bucket order and 4 trays delivering revenue of $1.9m for delivery between May and July 2016
- Indonesia operations recently secured an order for 2 large dragline buckets for an Australia client
- Currently quoting on a number of larger repeat projects for the Indonesian market which the company has previously worked on. These projects are expected in the second half of FY17 and if successful, would deliver significant workload for this operation

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Placement & Entitlement Offer: Key Details

Offer Size	• Share placement raising $1.67m to institutional investors • 2 for 1 fully underwritten renounceable entitlement offer of ordinary shares in Austin to all eligible shareholders to raise approximately $28.1m
Offer Price	• $0.08 per fully paid ordinary share – 50.0% discount to last closing price of $0.16 per share[1] – 52.3% discount to 5-day VWAP of $0.168 per share[1] – 46.7% discount to 30-day VWAP of $0.150 per share[1] – 25.0% discount to TERP of $0.107 per share[1]
Share Placement	• The Share placement will raise $1.67 million from institutional investors at an issue price of $0.08/share
Renounceable Entitlement Offer	• Renounceable Entitlement Offer is open to all eligible investors on the share register prior to the Ex-date and will raise up to ~$28.1m; and • Entitlements may be bought and sold during the trading period and any rights not sold and not exercised will expire worthless
Ranking	• All New Shares issued under the Offer will rank equally with existing Austin shares
Lead Manager & Underwriter	• Blue Ocean Equities Pty Ltd

[1] Calculated with reference to the last close on 23 May, 2016

Strengthened Balance Sheet

	As at 31 December 2015 ($m)	Impact of the Capital Raising ($m)	Pro Forma as at 31 December 2015 ($m)
Cash and cash equivalents	3.1		3.1
Trade receivables	30.0		30.0
Inventories	22.3		22.3
Current tax assets	0.7		0.7
Property, plant and equipment	113.2		113.2
Intangible assets	55.2		55.2
Deferred tax assets	13.4		13.4
Other assets	18.3		18.3
Total Assets	**256.3**		**256.3**
Trade and other payables	40.9		40.9
Financial liabilities - senior lending facilities	37.4	(28.0)	9.4
Financial liabilities – finance leases	5.2		5.2
Financial liabilities – term loan	6.9		6.9
Financial liabilities – subordinated loan	19.1		19.1
Tax liabilities	10.1		10.1
Provisions	12.8		12.8
Total Liabilities	**132.3**	**(28.0)**	**104.3**
Net Assets / Equity	**123.9**	**28.0**	**151.9**
Net debt	65.4	(28.0)	37.4
Net Gearing[1]	35%		20%

[1] Net Gearing calculation = Net debt/(Net debt + Net assets)
[2] See Appendix for information about the basis of preparation of the pro-forma balance sheet
[3] Refer to page 11 for further details on movements in debt facilities since 31-Dec-15
[4] The COR Cooling sale is expected to result in an accounting loss on sale of $8-12m. This will be finalised in the June 2016 accounts

- This pro-forma[2] Balance Sheet illustrates the effect of the Capital Raising on the balance sheet of the Company as at 31-December-15 assuming that:
  - $29.7m of equity is raised (approximately $28m in net proceeds after fees)
- We note subsequent to 31 December 2015, Austin has[3]:
  - secured a corporate bond and sold COR Cooling[4]. Together with the Capital Raising, these events extinguish the senior lending facilities and term loan
  - taken on $6.4m in finance leases to fund a new contract won to supply cranes to a customer in Chile
  - A cash balance of approximately $3m prior to the Capital Raising
- Post the Capital Raising, the total pro-forma Net Debt would have been ~$37m (including the subordinated loan and corporate bond)
  - Refer to page 11 for a detailed pro-forma breakdown of the current debt outstanding

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Debt Profile After Capital Raising

- Post capital raising the Company's total gross debt would be reduced to $36.6m. The table below shows the movements since 31 December 2015 including the impact of the Capital Raising:

	As at 31 December 2015 ($m)	Movements since 31 December 2015 ($m)	Impact of the Capital Raising ($m)	Pro Forma current ($m)
Senior lending facilities	37.4	(16.0)[1]	(21.4)	-
Finance leases	5.2	5.9[2]	-	11.1
Term loan	6.9	(0.4)[3]	(6.5)	-
Corporate bond	-	6.4[4]	-	6.4
Subordinated loan	19.1	-	-	19.1
Total gross debt	**68.6**	**(4.1)**	**(27.9)**	**36.6**

- Significant headroom on subordinated loan covenant
  - Senior debt (excluding subordinated loan and corporate bond): Normalised EBITDA of 4.0x
  - Senior debt (excluding subordinated loan and corporate bond) of approximately $11.1m[5]
  - EBITDA for covenant purposes is normalised historic EBITDA for last 12 months. Based on LTM normalised EBITDA of $10m, this covenant is 1.1x
- Austin's interest expense is expected to be be substantially reduced post the capital raising
- Debt will be reduced further by sale of land and sale and lease back of properties
  - Expect to receive $8.7m of gross sale proceeds from the sale / sale and lease back of two properties, namely in Peru and Colombia in 2H 2016
- New optimised debt facilities will likely replace some of the existing international facilities – improving funding cost and flexibility

1. Senior loan repaid from COR Cooling sale proceeds and issue of corporate bond
2. Net increase in finance leases due to $6.4m in new crane leases less existing lease repayments
3. Term loan repayments since 31-Dec-15
4. Secured corporate bond which was used to repay senior lending facilities
5. Senior debt calculated for covenant purposes will likely increase over the short term as Austin seeks to increase working capital investment and facilities by c. $5m

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Indicative Timetable

Event	Date[1]
Company enters Trading Halt	Tuesday, 24 May 2016
Share recommence trading on the ASX and Company announces Share Placement and Renounceable Entitlement Offer	Thursday, 26 May 2016
Share Placement DvP settlement	Tuesday, 31 May 2016
Placement shares allotted	Wednesday, 1 June 2016
'Ex' Date for shares in the Renounceable Entitlement Offer Rights Trading commences	Friday, 3 June 2016
Record Date for the Renounceable Entitlement Offer	7pm, Monday, 6 June 2016
Renounceable Entitlement Offer opens	Tuesday, 7 June 2016
Rights Trading ends	Thursday, 16 June 2016
Renounceable Entitlement Offer closes	5pm, Thursday 23 June 2016
Shortfall settlement date	Thursday, 30 June 2016
Allotment of shortfall shares and trading commences	Friday, 1 July 2016

[1] The Company in consultation with the Lead Manager reserves the right to vary the dates without notice

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Appendix

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FY16 Forecast Methodology

- The forecast provided by the Company is based upon its normal annual budget process which includes a bottom up process where each operation provides a detailed profit & loss statement, balance sheet and cash flow statement. The main tasks involved are as follows:
  - Historical/actual figures associated with labour costs, costs of consumables, current supplier agreements with creditors and forecast increases for inflation are reviewed and incorporated/ amended as necessary. Changes in operational requirements are also reviewed and accounted for
  - Sales forecasts are generated from current work on hand, current contracts/agreements, quotes in the market, and conversations/meeting with clients regarding forecast requirements over the next year. Historical run rates for clients are also used to generate sales forecast in certain businesses within the group
  - Once the operational budgets are completed these are then forwarded to corporate office where they are scrutinised by senior management and any queries sent back to the operation for responses/amendments
  - Following management approval these budgets are then forwarded to the Company's Directors for an initial review, which generally initiates further clarifications and/or amendments to the numbers
  - Corporate costs are allocated on known costs, historical run rates and any contracts in place
  - Lastly the finalised budgets are sent to the Directors for final approval and incorporation into the group

Basis of Preparation of Pro-forma Balance Sheet

- To illustrate the effect of the Offer on the Company, the pro-forma consolidated balance sheet of the Company has been prepared based on the reviewed balance sheet of the Company as 31 December 2015, adjusted to reflect the following pro-forma transactions:
  a) The pro-forma balance sheet has been prepared on the basis of accounting policies normally adopted by the Company.
  b) The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by the accounting standards applicable to financial statements.
- The pro-forma balance sheet is not a forecast. The actual financial position of the Company on completion of the Capital Raising will differ from the position illustrated in the pro-forma balance sheet due to operations during the period between 31 December 2015 and the date when the Capital Raising is completed.

Key Risks

Summary

Investors should be aware that there are risks associated with an investment in the Company. Activities of the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance and position of the Company and the outcome of an investment in the Company. Some of these risks can be adequately mitigated by the use of safeguards and appropriate systems but many are beyond the control of the Company and its Directors and cannot be mitigated.

Prior to deciding whether to take up their New Shares under the Entitlement Offer, Shareholders should read this entire Investor Presentation and review announcements made by the Company to ASX (at www.asx.com.au, ASX:ANG) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects. Shareholders should also consider the summary risk factors set out below which the Directors believe represent some of the key specific and general risks that Shareholders should be aware of when evaluating the Company and deciding whether to participate in the Entitlement Offer. The risk factors set out below are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed. Shareholders should also have regard to their own investment objectives and financial circumstances and should seek professional guidance from their stockbroker, solicitor, accountant or other professional advisor before deciding whether to invest.

Key Risks

Specific Risks

Market risk

- For the last few years there has been a significant decline in expenditure in the types of goods and services that the Company provides. There is a risk that the reduced expenditure in recent years will be deeper and continue for longer than expected. If this occurs it will have a material adverse effect on the Company and its earnings.
- The Company's earnings are exposed to production volume and it believes that, despite market conditions, there will be an eventual need for replacement of installed equipment which will support earnings.

Competition

- Austin faces competition across its range of products and services. A significant increase in competition, including through imports, could materially affect the future financial position and performance of Austin by putting downward pressure on prices or by reducing Austin's sales volumes.

Financial risk

- Even following the repayment of the senior secured syndicated debt and the term loan, the Company will continue to have debt obligations. The debt facilities contain a variety of material covenants which the Company and its subsidiaries must comply with. Whilst every effort will be made to seek to comply with the covenants, in the event of a breach, the lenders may be entitled to call for repayment of the facilities (and exercise its rights as secured creditor where Austin defaults on such repayment). This will have a material adverse effect on the ability of the Company to continue its operations.
- Austin may not be able to access equity or debt capital markets to support its business growth objectives or successfully refinance its debt facilities on commercially favourable terms, or at all.
- If Austin is unable to manage its indebtedness and the restrictions applicable to it as a result of this indebtedness, its ability to implement its business strategy may be impaired and the results of its operations and financial condition may be adversely affected.

Sustainability of growth and margins

- The sustainability of growth and the level of profit margins are dependent on Austin's ability to secure new customers and contracts.
- A failure to secure service contracts may have a material adverse affect on Austin. Additionally, if Austin experiences strong growth in future years and is not able to properly manage such growth due to labour or capital equipment shortages, its financial performance could be adversely affected.

Key Risks

Operational risk

- Interruptions at the Company's facilities could impact Austin's ability to supply its customers and could adversely affect our operations, financial condition or results of operations.
- The production of mining consumables and steel products involves inherent risks relating to the nature of manufacturing processes. Specifically, manufacturing processes are dependant on quality inputs and critical equipment such as furnaces, casters, steam boilers, rolling mills and electrical equipment which may incur downtime as a result of unanticipated failures or other events, such as breakdowns, loss of external power supply or natural disasters and other events outside Austin's control.
- Industrial action between the Company and unions could disrupt the Company's operations. A shortage of skilled personnel may increase Austin's costs and may materially and adversely affect production levels and profitability.

Dependence on key customer and supplier relationships

- Austin relies on various key customer and supplier relationships, and the loss or impairment of any of these relationships could have a material adverse effect on Austin's operations, financial condition and prospects.
- An interruption in raw material, electricity, gas or water supply, a deterioration in the quality of raw materials or inputs supplied or an increase in the price of those raw materials could adversely impact the quality, efficiency or cost of products. Any of these events could have an adverse impact on the Company's financial condition and results of operations.
- Depending on the market price of the relevant commodity, some of the Company's customers may determine that it is not economically feasible to maintain current levels of production or to continue commercial production at some or all of their operations or the development of some or all of their current projects, as applicable, and reduce or cease their purchases of Austin products and services.

Product risk

- The products and services Austin produces are subject to sales agreements with customers and must meet certain specifications. Despite controls and measures being in place, products and services may fall outside these specifications due to process failures, equipment malfunctions or variability of inputs which could have a material adverse effect on the Company's financial condition and results of operations.
- Austin is exposed to warranty and liability risks relating to defects in its steel products. If any products it sells are defective or fail to meet the required specifications, the relevant customers may assert claims against the Company.
- Austin maintains an internal risk management process and also follows quality assurance procedures in relation to the manufacture of its products and materials.

Key Risks

Occupational Health and Safety (OHS)

- Austin's operations are subject to extensive health and safety laws and regulations.
- Failure to comply with the Company's internal health and safety policies and processes and with health and safety laws and regulations could result (and in some instances has resulted) in enforcement action which could result in monetary penalties. In addition, any significant government investigation or enforcement of health and safety requirements could damage the Company's reputation as a responsible company and employer or could result in suspension or closure of our operations.

Natural risks

- Austin operates in regions that are subject to unpredictable weather, geological conditions and other natural risks that could result in production delays or disruptions to our operations.
- The negative impacts of climate change could increase the frequency of severe weather resulting in increased natural risks.

Intellectual property

- There can be no assurances that the validity, ownership or authorised use of intellectual property (including technology, know-how, trademarks, designs and patents (both owned and licensed) relevant to Austin's business may not be challenged.

Litigation and legal matters

- Austin is exposed to the risk of claims and lawsuits arising in the ordinary course of its business, including claims for damages and commercial disputes relating to its business, products and services, which if successful, could adversely affect its business or financial position.

Reduction in outsourcing

- Austin is dependent on customers outsourcing service, repair and maintenance services. Should customers undertake these works internally then the need for externally provided services may negatively affect the growth prospects and financial performance of the Company.

Key Risks

Contractual risks

- Austin's financial performance is reliant on the revenue produced from the utilisation and productivity of its key assets. To ensure that the productivity of the Company's assets is maximised, where possible the Company engages in short term contracts with its customers and certain suppliers. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contracts is dependent upon the relevant third party complying with its contractual obligations.
- Specifically, some of the Company's contracts are able to be terminated by the customer with a short period of notice. Any early termination of existing or future material contracts relating to the Company's assets may adversely affect the financial performance and/or financial position of the Company.
- To the extent that third parties default in their obligations or become insolvent, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.
- The Company has also entered into contracts with third party product and service providers, who the Company may be reliant upon to efficiently conduct its operations. Any non-compliance by these third parties may have adverse consequences on the financial position of the Company.
- In some circumstances where an established relationship exists with a customer, the Company may continue to provide services to the customer beyond the life of the contract, on the assumption that the contractual terms will continue to apply. Disputes may ultimately arise with these third parties to the extent that there is uncertainty over the terms that govern the relationship. These disputes may require legal action which as noted above may prove costly with the ultimate outcome being uncertain.

Risks associated with global operations

- Austin is subject to political, legal, social and economic policy risks and uncertainties in the countries in which the Company operates. Any deterioration or disruption of the political, legal, social or economic environment and business climate in those countries may have an effect on Austin's businesses, financial position, results of operations or prospects.
- Austin provides products and services in a number of countries around the world. Therefore, Austin is subject to tax and legal regimes of many different jurisdictions and is subject to risks of changes in laws, taxes or interpretation or enforcement.

Insurance

- It is not always possible to obtain insurance against all risks and Austin may decide not to insure against certain risks as a result of high premiums or other reasons. The occurrence of an event that is not fully covered, or covered at all, by insurance, could have a materially adverse effect on the Company's financial position.

Key Risks

Disruption to Business Operations

- The Company's activities are subject to a range of operational risks. Such operational risks include equipment failures, IT system failures, external services failure (including energy or water supply), industrial action or disputes and natural disasters. While the Company will endeavour to take appropriate action to mitigate these operational risks or to insure against them, one or more of these risks may have a material adverse impact on the performance of Austin.

General Risks

Movements in commodity prices and other factors

- Austin operates in the mining services industry and movements in international commodity prices, exchange rates and a decrease in the volume of production are beyond Austin's control and could adversely affect Austin's profitability and balance sheet.
- Austin's business is strongly influenced by movements in international steel prices, which fluctuate significantly over time, are cyclical, difficult to forecast and outside of Austin's control.
- Austin's business depends on a number of factors outside the control of Austin, including, but not limited to, continued global economic growth, continued international demand and infrastructure constraints experienced by Austin's clients. Any prolonged decline in the demand for energy may result in a corresponding decline in the use for the Company's services, which will have an adverse effect on the financial performance and/or financial position of the Company.
- If any of these factors move adversely to Austin, that may have a material adverse impact on the financial position and performance of Austin.

Foreign exchange rates and interest rates

- Adverse movements in exchange rates may impact sales proceeds received, product costs and price competitiveness and may impact the operations and financial performance of Austin. Also, adverse fluctuations in interest rates, to the extent that they are not hedged may impact Austin's financial performance.

Stock market fluctuations

- The value of the New Shares will be determined by the share market and will be subject to a range of factors beyond the control of the Company and the Directors. Share market fluctuations in Australia and other stock markets around the world may negatively affect the value of the New Shares. Factors that may influence the investment climate in stocks may not relate to actual performance of the Company and may include general economic outlook, changes in government fiscal, monetary and regulatory policies, movements in commodity prices, exchange rate movements, interest rates, inflation and political developments.

Key Risks

Lack of liquid market for shares

- There can be no guarantee that an active market in the Shares will develop or continue or that the price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares at a price that is attractive to them or at all. There may be relatively few, or many potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Applicants paid.

General economic conditions

- Both Australian and world economic conditions may negatively affect Austin's performance. Any slow down in economic conditions or factors such as the level of production in the relevant economy, inflation, currency fluctuation, interest rates, taxation legislation, supply and demand and industrial disruption may have a negative impact on the Company's costs and revenue. These changes may adversely affect the Company's financial performance and/or financial position.

Accounting Standards

- Changes in accounting standards or the interpretation of those accounting standards that occur after the date of this presentation may adversely impact on Austin's reported financial performance and/or financial position.

Legal and Regulatory Changes

- The operating activities of the Company are subject to extensive laws and regulations. These relate to labour standards, taxes, occupational health, waste disposal, transportation safety and other matters. Compliance with these laws and regulations increases the costs of operating activities. As legal requirements change frequently, are subject to interpretation and may be enforced to varying degrees in practice, Austin is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, changes in regulations and policies and practices could have an adverse impact on the Company's future cash flows, earnings, and financial position.

Foreign Selling Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Foreign Selling Restrictions

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

British Virgin Islands

The entitlements and the New Shares may not be offered in the British Virgin Islands unless the Company or any person offering the securities on its behalf is licensed to carry on business in the British Virgin Islands. The securities may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

Austin's Principal Products

Off-highway dump truck bodies

Buckets

Water tanks

Service modules

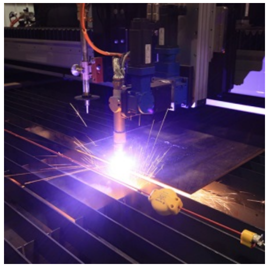
Tyre handlers

Ancillary attachments

austinengineering LTD

Austin Principal Services

Equipment repair and maintenance



Specialised fabrication

Painting and blasting

Specialised machining and line boring

On-site maintenance and shutdown services (Austin Engineering Site Services)

austinengineering LTD

Austin Brands

The Austin Engineering brand encompasses design and manufacture of mining and earthmoving equipment, along with the provision of support services, from four Australian operations (Brisbane, Hunter Valley, Mackay, Perth), an Indonesian operation and Peruvian operation.

The Austin Ingenieros brand represents the company's operations in Chile and Colombia, providing design and manufacture of mining and earthmoving equipment, along with the provision of support services.

Austbore's core capabilities include general machining services, the overhaul of track frames and other mining equipment and mobile line-boring services. Austbore work closely with the Austin Engineering Mackay operation in supply of their services.

Perth-based John's Engineering & Cranes Pty Ltd (JEC), was one of Australia's longest established manufacturers of Mining and Earthmoving attachments and off highway truck bodies. The JEC branded range of products are now designed and manufactured by Austin Engineering operations globally.

Austin Engineering Site Services (formerly Pilbara Hire Group) provide full turnkey, on-site repair and maintenance services throughout Western Australian mine sites, with a particular focus on mobile mining and fixed plant equipment.

Servigrut is a significant and successful supplier of heavy equipment lifting, transportation and site services to the mining and industrial markets in Chile.

Western Technology Services, or Westech, is one of the world's largest non-OEM designer and manufacturer of off highway dump truck bodies. Based in Wyoming USA, the Westech branded range of products are now designed and manufactured by the Austin Engineering Group globally.