

Austro Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 2001/029771/06)
Share code: ASO ISIN: ZAE000090882
("Austro")

AMENDMENT OF TERMS OF NEPTUNE PLANT AND NEPTUNE PLANT HIRE ACQUISITION - SMALL RELATED PARTY TRANSACTION

INTRODUCTION

Shareholders are referred to the announcement published on 10 July 2007 ("the original announcement") in which they were advised inter alia, that Austro had concluded an agreement to acquire, with effect from 1 March 2007 (the "acquisition"), the shares in and claims against Neptune Plant (Proprietary) Limited ("Neptune Plant") and Neptune Plant Hire (Proprietary) Limited ("Neptune Plant Hire") from Holger T Heye ("Heye") and the Diesel Share Trust (collectively, the "vendors").

Certain complications arose with respect to the original agreement and during July 2007, negotiations were held in regard to the conclusion of an amending agreement (the "second agreement"). The second agreement has been the subject of a dispute between the parties. In settlement of this dispute, on 24 May 2010, Austro and the vendors concluded an addendum to the original agreement ("the addendum") in terms of which they agreed to vary the terms of the acquisition ("the variation") by amending the purchase price payable in respect of the acquisition.

DETAILS OF THE VARIATION

In terms of the addendum, the purchase price payable by Austro to the vendors in respect of the acquisition has increased from R30 500 000 by an amount of R10 277 000 to R40 777 000 (the "adjusted purchase price").

R30 500 000 of the adjusted purchase price was discharged during September 2007 and April 2008 (in the manner contemplated in paragraph 4.2 of the original announcement). In terms of the addendum, the outstanding balance of the adjusted purchase price, in the amount of R10 277 000, is to be paid by Austro to the vendors in cash in three equal instalments of R3 425 666,66. The first instalment was paid on 1 June 2010, the second and third instalments being payable on 1 March 2011 and 1 March 2012, respectively. Austro's obligation to effect payment of the aforesaid instalments is conditional on Heye's employment by the Austro group not having been terminated on or prior to the relevant payment date by virtue of Heye's abscondment or written resignation from the Austro group.

Other than for the variation, the original acquisition agreement remains of full force and effect.

RELATED PARTY TRANSACTION

Given that Heye is a director of Neptune Plant and Neptune Plant Hire, both of which, subsequent to the acquisition, are subsidiaries of Austro and given that he is also a director of the subsidiary New Way Power (Proprietary) Limited, the variation constitutes a related party transaction (the "related party transaction") as contemplated in section 10 of the JSE Limited Listings Requirements. Given Heye's effective 100% interest (both direct and indirect)

in the variation, the variation is classified as a small related party transaction.

FAIRNESS OPINION

Grant Thornton has been appointed as an independent advisor to Austro and has concluded that the related party transaction is fair to Austro's shareholders as the economic consequences of the variation are estimated to be less onerous than those arising from continued disputes with the vendors in relation to the second agreement. The fairness opinion will lie for inspection at Austro's registered office, being 1125 Leader Avenue, Stormill Extension, Roodepoort, for a period of 28 days from the date of this announcement.

FINANCIAL EFFECTS

The pro forma financial effects of the variation have not been set out in this announcement, given that the effect of the variation has already been taken into account in Austro's unaudited consolidated interim financial results for the six months ended 28 February 2010, as published on 19 May 2010 (the "interim results"). As detailed in the interim results, the annual financial results for the year ended 31 August 2009 were also restated with retrospective effect to account for the variation.

11 June 2010

Corporate advisor, legal advisor and sponsor
Java Capital

Independent advisor
Grant Thornton