

ASX ANNOUNCEMENT

23 February 2011

Sale of Eden Cryogenics LLC

Key Points:

- Binding agreement to sell Eden Cryogenics LLC executed and completed contemporaneously
- Another step in the process of refocusing on key strengths and capabilities and mitigating risks in USA operations
- Transaction divests a business which has negatively impacted Group earnings
- Operations in the Americas now focused on the HS Turbochargers opportunity

Engenco Limited ('Engenco') (ASX: EGN), is pleased to announce that it has today sold all its interest in Eden Cryogenics LLC ('Eden Cryogenics').

Engenco Managing Director, Vince De Santis, said that "the Eden Cryogenics business was not a core part of the Group's operations and its disposal represents another important milestone in the Group's ongoing strategy of focusing on its core strengths and capabilities."

He added, "The sale will now enable the Group's operations in the Americas to fully concentrate on the key HS Turbochargers opportunity with heavy engine customers without the distraction of a non-core operation like Eden Cryogenics which has had a significant negative effect on the Group's earnings since it was acquired a little over two years ago."

Under the terms of the sale, Engenco has sold its 100% interest in Eden Cryogenics to a holding company, the majority of which is owned by Mr Steve Hensley, founder and President of Eden Cryogenics. As part of the sale, a new loan for USD400,000, repayable over 3 years, was advanced to Eden Cryogenics for working capital purposes with the loan secured against the assets and undertaking of Eden Cryogenics.

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Certain other loans owed by Eden Cryogenics to other Group entities were forgiven although these will have no profit and loss accounting impact on the consolidated Group. The transaction will result in a loss on the sale of Engenco's investment in Eden Cryogenics of approximately USD100,000. Certain premises were excluded from the sale and will be used in the Americas turbocharger operations.

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