

ASX ANNOUNCEMENT

14 November 2012

Underwritten Non-Renounceable Entitlement Offer

The directors of Engenco Limited (**Engenco**) (ASX:EGN) are pleased to announce the launch of a pro-rata non-renounceable rights issue to raise approximately \$25.9 million (before costs) comprising a 5 for 6 entitlement offer at an offer price of \$0.25 per share ("**Entitlement Offer**").

The Entitlement Offer is fully underwritten by RBS Morgans Corporate Limited.

Funds raised under Entitlement Offer will be used to pay down debt on terms agreed with the Company's bankers, provide additional working capital and to meet the costs of the Entitlement Offer, as set out in more detail in the attached Investor Presentation.

Shareholders will also have the right to apply for additional shares in excess of their entitlement through the top-up facility. Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable.

Engenco's Chairman, Dale Elphinstone said, "*The capital raising is aimed at better positioning the Company's operational cash requirements in what is a tough and distracting bank funding environment given the Company's performance, and general market conditions.*"

Further details about the Entitlement Offer are contained in the attached letter to shareholders (which will be despatched to shareholders tomorrow) and the Investor Presentation. The associated Cleansing Notice and Appendix 3B (New Issue Announcement) are also attached.

The Entitlement Offer is expected to be open from Monday, 26 November 2012 to 5.00 pm (Melbourne time) on Tuesday, 11 December 2012. The Record Date for the Entitlement Offer will be 5.00 pm (Melbourne time) on Thursday, 22 November 2012.

An Entitlement Offer Booklet together with a personalised Entitlement and Acceptance Form is expected to be despatched to shareholders on Monday, 26 November 2012.

The trading halt in Engenco shares can now be lifted.

About Engenco Limited

Engenco specializes in:

- Maintenance, repair and overhaul of heavy duty engines, powertrain and propulsion systems
- Maintenance, repair and overhaul of locomotives
- Manufacture and maintenance of wagons, carriages and associated rail equipment
- Project management, training and workforce provisioning services
- Manufacture and supply of road transport and storage tankers for dry bulk products
- Leasing of locomotives, wagons and other rail equipment

Engenco services a diverse client base across the defense, resources, marine, power generation, rail, heavy industrial, mining and infrastructure sectors. The Company employs around 670 people (excluding contractors) operating from more than twenty locations in seven countries.

For further information please contact:

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