

The Manager  
Company Announcements  
ASX Limited

26 February 2008

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Dear Shareholder

## Non-Renounceable Rights Issue

On 25 February 2008, Engin Limited (**Company**) lodged a prospectus (**Prospectus**) with the Australian Securities & Investments Commission (**ASIC**) for a non-renounceable rights issue of 281,022,213 fully paid ordinary shares (**New Shares**) on the basis of four (4) New Shares for every existing five (5) Shares held on 4 March 2008 (**Record Date**), to be issued at \$0.03 each to raise approximately \$8.4 million (**Rights Issue**).

The Rights Issue includes an additional share facility whereby shareholders who are eligible to participate in the issue will be able to apply for additional New Shares not taken up by other shareholders (**Additional Share Facility**). Full details of the Additional Share Facility are contained in the Prospectus.

Fractional entitlements will be rounded down to the nearest whole number. New Shares issued will rank equally with all existing shares on issue. Shareholder approval is not required in relation to the Rights Issue. On or about 6 March 2008, a full copy of the Prospectus will be mailed to all shareholders who held shares on the Record Date. The Prospectus is available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

The Rights Issue is fully underwritten by Network Investment Holdings Pty Limited (**Underwriter**), a wholly-owned subsidiary of Seven Network Limited. In consideration for the underwriting, the Company has agreed to pay the Underwriter a fee of \$111,276, being 2% of the difference between the total amount to be raised under the offer and the

application moneys for the New Shares which it is entitled to subscribe under the Rights Issue.

The purpose of the offer is to raise approximately \$8.4 million (before expenses of the offer). The funds raised from the offer will be used for purposes including funding to complete the strategic restructure of the business and to provide for ongoing capital (including working capital) requirements.

The Company will apply for official quotation by ASX of the New Shares to be issued pursuant to the Rights Issue.

The timetable for the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
Lodgement of Prospectus with ASIC and lodgement of Prospectus and Appendix 3B with ASX	25 February 2008
Notice to be sent to Engin shareholders with details of the Rights Issue	26 February 2008
Engin shares begin trading on an 'ex' basis	27 February 2008
Record date for determining entitlement to New Shares	4 March 2008
Prospectus dispatched to Engin shareholders	6 March 2008
Closing date of Rights Issue	25 March 2008
New Shares commence trading on a deferred settlement basis	26 March 2008
Deferred settlement trading ends and last day for entries to be made in holders' security holdings	2 April 2008

Note:

These dates are determined based on the current expectations of the Directors and may, subject to the listing rules, be changed without

notice. The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. If this was to occur, the date the shares are expected to commence trading on ASX may vary.

Yours faithfully

**Ian Smith**  
**Chairman**