

The Manager
Company Announcements
ASX Limited

27 February 2008

Dear Shareholder

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Non-Renounceable Rights Issue

On 25 February 2008, Engin Limited (**Company**) lodged a 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 the Record Date, to be issued at \$0.03 each to raise approximately \$8.4 million (**Rights Issue**). The Record Date will be 5 March 2008.

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 7 March 2008, a full copy of the (updated) 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.

The Rights Issue is fully underwritten by Network Investment Holdings Pty Limited (**Underwriter**), a wholly-owned subsidiary of Seven Network Limited. The Underwriter currently owns 34.01% of the Shares in the Company. 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 for which the Underwriter (as a 34.01% shareholder) 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:

Event	Date
Announcement of Rights Issue and lodgment of Prospectus with ASIC and ASX	25 February 2008
Application for quotation and lodgement of Supplementary Prospectus with ASIC and ASX	26 February 2008
Announcement information sent to Shareholders	27 February 2008
Shares begin trading on an 'ex' basis	28 February 2008
Record Date to determine Entitlement under the Rights Issue	5 March 2008
Prospectus (updated) dispatched to Engin Shareholders	7 March 2008
Applications close (Closing Date)	26 March 2008

New Shares commence trading on a deferred settlement basis	27 March 2008
New Shares issued, holding statements and deferred settlement trading of New Shares ends	3 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