

AMMTEC LIMITED

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AMMTEC ANNOUNCES ACQUISITION, RAISES \$10MILLION FROM PRIVATE PLACEMENT AND ANNOUNCES A SHARE PURCHASE PLAN OFFER

8 February 2008

Ammtec announces the acquisition of the Western Australian based engineering group MARC Environmental Solutions. MARC designs laboratories, supplies laboratory equipment and dust and fume control systems to the mining and mining services sectors.

The vendors Ron Marian, Murray Kerr, Allen Sharman and Chris Pearson who established MARC in 1999 are looking forward to continuing with the business under Ammtec's ownership. MARC's chairman, Chris Pearson commented that "Ammtec negotiated a tough deal conditional on all four owners agreeing to long-term employment contracts and deferring part of the sale proceeds over three years. These conditions represent a significant incentive for us to stay and contribute to the future of MARC."

Mr Pearson also said "the acquisition will allow MARC to expand its existing facilities which will enhance fabrication and production capability, improve margins and provide more opportunity to diversify. I do not believe MARC could have achieved this under the current ownership."

The acquisition will diversify Ammtec's core metallurgical and mineral testing consulting business. MARC enjoys similar profit margins to Ammtec's existing business and the acquisition is expected to increase revenues and NPAT by an estimated 40%.

On 1 February 2008 Ammtec released its results for the half-year ended 31 December 2007 which showed an increase in profit on the same period in 2006 of 28%. This represented the second highest result on record. Ammtec also announced another record dividend of 11cents per share maintaining the company's strong dividend record.

Managing Director, Rod Smith commented on the recent capital expansion to the company's Balcatta operations. "The significantly expanded pilot plant facilities, the introduction of state of the art mineralogical equipment and the completion of the new assay laboratory place the company in a strong position to service existing and future workloads through the remainder of 2008."

Smith said "he anticipated very strong demand for pilot plant and other test work will continue for the foreseeable future."

Smith continued "We also increased our interest in US based resin producer Purity Systems Inc in August which will provide Ammtec with excellent long term potential."

Smith also commented on the long association between the two businesses, "MARC has been supplying dust control systems to Ammtec for many years. They have also designed our new assay laboratory in Balcatta so we have a good feel for the way MARC operate and the quality product that they deliver."



ASX ANNOUNCEMENT (CONTINUED)

Ammtec published the following forecasts for the financial year ending 30 June 2008 after the inclusion of MARC from 1 March 2008.

(\$'000)	FY06 (Actual)	FY07 (Actual)	HY08 (Actual)	FY08(Forecast)		
				Ammtec	MARC (note1)	Combined
Revenue	23,843	26,358	16,190	31,500	4,200	35,700
EBITDA	8,489	7,993	4,978	10,185	1,132	11,317
EBIT	7,967	7,265	4,497	9,230	1,092	10,322
PBT	7,886	7,180	4,188	8,530	1,088	9,618
NPAT	5,423	4,847	2,719	5,800	760	6,560

Note 1 – represents 4 months from acquisition

The acquisition has been funded with the successful placement of 3.1million new ordinary shares at \$3.20 to institutional and sophisticated investors which raised \$9.92million.

The vendors of MARC have participated in the placement.

The company will also implement a Share Purchase Plan (“SPP”) to be capped at \$3million. Shareholders registered at the close of business on 11 February 2008 will be offered the opportunity to purchase \$5,000 worth of ordinary shares, also at an issue price of \$3.20 each. Details will be mailed to shareholders and lodged with the ASX on 15 February 2008.

The private placement was managed by Bell Potter Securities Limited, and the SPP is not underwritten.

Further information required by ASX Listing Rule 3.10.3 in relation to the placement and Share Purchase Plan accompanies this announcement:

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ASX ANNOUNCEMENT (CONTINUED)

LISTING RULE 3.10.3 INFORMATION

In accordance with Listing Rule 3.10.3, Ammtec provides the following details of the Share Placement and Share Purchase Plan.

	Placement	Share Purchase Plan
Class of securities to be issued	fully paid ordinary shares	fully paid ordinary shares
Maximum number of securities to be issued	3.1 million shares	Ammtec has determined to issue 937,500 Shares under this Offer. In the event of oversubscription, shares will be issued on a first-in-first-served basis, so that no more than 937,500 shares are issued.
Principal terms of the securities to be issued	the Shares will rank equally in all respects with the Company's existing issued Shares	the Shares will rank equally in all respects with the Company's existing issued Shares
Issue price	\$3.20 per Share	\$3.20 per Share
Purpose of the Issue	to fund the acquisition of MARC Environmental Solutions Pty Ltd and working capital requirements	to fund the acquisition of MARC Environmental Solutions Pty Ltd and working capital requirements
Shareholder approval	Shareholder approval for this number of shares is not required and Ammtec will not be seeking approval prior to the issue of the placement shares. The company intends to seek approval for this number of shares at its Annual General Meeting pursuant to Listing Rule 7.4 (subsequent approval of an issue of securities).	Shareholder approval is not required for the SPP issue.
Issue to class	N/A	The issue is being made to all shareholders who are registered at the close of business on 11 February 2008 (record date).