

**ASX Announcement
Engin Limited (ENG)****4 September 2007**Company Announcements Centre
Australian Stock Exchange431 Warringah Road
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P: +61 9004 4400
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W: engin.com.au**ENGIN ACQUIRES 10.38% OF UNWIRED (UNW)****Sydney, 4 September 2007:**

Engin today announced that it has acquired approximately 10.38 per cent of the ordinary shares of Unwired Group Limited ("Unwired" - UNW.ASX) through a number of on market transactions, mainly at 40 cents per share. The stake has been acquired for investment purposes and should enable Engin, as a significant shareholder, to participate in the growth of wireless broadband in Australia. Engin acquired the Unwired shares using debt funding provided by a Seven Network group company ("Seven" - SEV.ASX).

Engin has been closely following the global development of WiMAX, and believes the technology is well placed at a point of maturity to deliver both fixed and ultimately mobile broadband solutions to consumers. Unwired owns the vast majority of metropolitan spectrum for the licensed bands across which WiMAX will operate in Australia.

Neil Gamble, Executive Chairman of Engin said, "We see a strong rationale for Engin and Unwired working co-operatively. A combination of Unwired's wireless access services with Engin's broadband telephony and TiVo offering would deliver a compelling consumer proposition."

"As shown by our recent announcement to deliver ADSL2+ to customers, we see broadband access as an enabler of consumer services such as voice and TiVo. As we develop new capabilities in voice technology, we see our services operating on multiple devices, across multiple access technologies."

Engin is happy to have secured the strategically important 10.38% stake in Unwired, but looks forward to exploring other options with the board of Unwired to unlock what Engin's directors believe to be substantial synergies and other benefits in leveraging the two companies' assets. The company does not have any present intention to make a take over offer for Unwired, although the company does not rule out the possibility of exploring a merger transaction in the future.

Funding for the acquisition was provided by Seven through a debt facility on standard commercial terms (further detail in Appendix). Interest on the facility will be capitalised and will not affect Engin's operational cash position.

About Engin

Engin, listed on the ASX (ENG), is Australia's leading Broadband phone company, cutting the cost of calling for tens of thousands of homes and small businesses across Australia. By using Engin products, broadband users can keep their previous phone number to receive calls, whilst making great savings with their outbound calls. Engin's customers receive high quality calls using VoIP (Voice over Internet Protocol) technology. Engin is the primary distributor of TiVo which is expected to launch in Australia in early 2008.

Engin is headquartered in Sydney, Australia and was granted its telecommunications carrier license in March 2004 to deliver a digital voice service across existing broadband connections. Winner of the ATUG Best Communications Solution – Small Business 2006 award and the 2005 iAwards AIIA communications category, Engin provides affordable telecommunication alternatives for all Australian consumers and businesses. For more information, please visit www.engin.com.au.

For further press information please contact:**Engin**

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Appendix – Details of the Debt Facility

The Unwired shares were acquired using a debt facility provided by Seven. Under that facility:

- The borrowed amount is to be repaid out of Engin's free cash flow (with no repayment expected prior to 2009), and must be repaid before 30 November 2012 unless an insolvency event or a "prescribed occurrence" occurs in relation to Engin before that date.
- The annual interest rate payable by Engin under the loan will be BBSW plus 6%, but this will reduce to BBSW plus 2% once Engin shareholders support the proposals noted below at Engin's AGM later this year.

The independent board of Engin intends supporting these proposals whilst Seven Network will not be able to vote its 34% shareholding on these resolutions.

- Engin has agreed to put to shareholders at its AGM later this year resolutions to:
 - o allow Engin to issue convertible notes to Seven in respect of the amounts drawn down under the facility plus accrued interest. If approved and issued, these notes will allow Seven to convert the amount payable to it into ordinary shares in Engin at a share price equal to the higher of 12 cents and the 5 day VWAP prior to the date of Seven's conversion notice. Conversion may occur within 5 years;
 - o allow Seven to convert the convertible notes into shares in Engin if Seven so chooses;
 - o allow Seven to take security over the Unwired shares held by Engin to secure the moneys it advances Engin to acquire the Unwired shares, and
 - o approve of Seven granting Engin an option under which Engin could transfer its Unwired shares to Seven if Engin is unable to secure sufficient funding before 30 June 2008 to meet its anticipated medium-term working capital requirements currently under consideration, and the convertible note has not been converted into Engin shares by Seven. This put option would allow Engin to sell the Unwired shares for the total amount it spent acquiring the shares, and would extinguish Engin's obligations to repay the facility to Seven.

The explanatory statement accompanying the notice of AGM will contain more detailed information to allow shareholders to vote on these proposals on a fully informed basis.