



COMPANY ANNOUNCEMENT
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US NAVY ORDERS ADDITIONAL AUSTAL JHSVs

The US Navy has exercised contract options funding the construction of two additional Austal Joint High Speed Vessels (JHSV) as part of an existing 10-vessel, US\$1.6 billion program.

As prime contractor, Austal previously received US Navy funding for long lead-time material, including diesel engines, water jets and reduction gears, for these two vessels in June 2010. The additional work is valued at approximately AUD \$208 million.

Austal now has contracts to build a total of five JHSVs.

Intended as the US Department of Defense's next-generation multi-use platform, the two 103 metre high speed vessels will be constructed at Austal's US facility, located in Mobile, Alabama.

Austal Managing Director Bob Browning commented: "By exercising Options 4 and 5, the US Navy has signalled its ongoing support for this important and significant multi-vessel program."

"With options remaining for a further five vessels, we expect the JHSV program to deliver a predictable revenue stream of AUD \$330 million per annum from 2012 to 2015, which is approximately 60 per cent of Austal's historical revenue."

Construction is already underway on the first two Austal JHSVs "Spearhead" (JHSV 1) and "Vigilant" (JHSV 2) at Austal's US facility. "Spearhead" is scheduled for delivery in late 2011.

Austal USA is also currently building a second 127 metre Austal-designed and built Littoral Combat Ship (LCS) for the US Navy, with the first, "USS Independence", commissioned earlier in the year. As prime contractor, Austal recently completed final proposal revisions for the next 10-ship LCS contract, which is expected to be competitively awarded by the US Navy before the end of the year.

Austal USA's new state-of the-art 35,000m² Modular Manufacturing Facility (MMF) facilitates the concurrent construction of both JHSV and LCS platforms.

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About Austal

Austal is the world leader in the design and construction of customised, high performance aluminium vessels for both commercial and defence applications. With shipyards in Western Australia and the USA (Mobile, Alabama), Austal has delivered more than 200 vessels for customers around the world.

Established in Western Australia in 1988, Austal's product range includes passenger and vehicle-passenger ferries, patrol boats, theatre support vessels, combat ships, multi-role vessels and luxury private live-aboards. Austal is also an established provider of worldwide vessel maintenance and management services.

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