COMPANY ANNOUNCEMENT
9 NOVEMBER 2010

UPDATE – U.S. NAVY LCS CONTRACT

Austal Limited (ASX: ASB) confirms that its USA division has delivered its response to the U.S. Navy's draft modification to the contract for the Littoral Combat Ship (LCS) tender.

Austal announces that it has advised Navy of the Company's intention to accept the Navy's proposed change to the LCS procurement approach.

The feasibility of the amended procurement approach to award 10 vessels each to Austal and Lockheed Martin remains subject to both Lockheed's consent and the approval of the U.S. Congress. Austal presently expects that Congress will make its decision before mid December 2010.

This announcement lifts the trading halt in Austal's securities.

END

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 220 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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