



COMPANY ANNOUNCEMENT
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U.S. NAVY AWARDS AUSTAL LCS 8 CONSTRUCTION CONTRACT

The USA division of Australian-headquartered Austal Limited has been awarded a fixed price incentive contract by the U.S. Navy for the construction of Austal's fourth 127 metre trimaran hullform Independence-class Littoral Combat Ship (LCS 8).

The contract for LCS 8 is worth USD\$368,592,125 and is the second ship awarded under Austal's recently announced LCS 10 ship block buy contract.

Austal's Chief Executive Officer Andrew Bellamy said "the award of this second ship under the 10 ship block buy contract further affirms the United States Navy's commitment to the LCS program and underscores their confidence in Austal to construct these vital ships."

Mr Bellamy quoted from today's press release from the U.S. Navy which stated that "LCS is needed to fill critical, urgent warfighting requirements gaps that exist today. LCS is required to establish and maintain U.S. Navy dominance in the littorals and sea lines of communication choke points around the world."

Construction of Austal's LCS 8 will commence in January 2012 at its shipyard in Mobile, Alabama, where work is presently underway on the following U.S. Navy vessels:

- "Coronado" (LCS 4), scheduled for launch in summer 2011;
- "Spearhead" (JHSV 1), scheduled for launch in mid 2011 and delivery in December 2011, and
- "Vigilant" (JHSV 2), scheduled for launch late 2011 and delivery in mid 2012.

Over the course of the next 12 months, Austal will also commence the construction of LCS 6, the first vessel awarded under the LCS 10 ship block buy contract and JHSVs 3, 4 and 5.

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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 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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