COMPANY ANNOUNCEMENT / NEWS RELEASE
14 July, 2011

AUSTAL ENTERS OFFSHORE WINDFARM VESSEL MARKET

Austal advises that it has entered into a contract to design and construct three purpose-built 21 metre offshore support vessels (OSVs) for Turbine Transfers Limited in Holyhead, United Kingdom. This is the first contract for Austal's windfarm vessel design series which was launched in 2010.

The Austal built OSV catamarans will be used to transport service crews and equipment to the many offshore windfarms that are located off the coastlines of several European countries. Turbine Transfers is a well established fleet owner that has been supporting windfarm owners and operators for a number of years. The company currently owns and operates a fleet of 18 vessels. The Austal built OSVs will be the first that Turbine Transfers has commissioned outside of the United Kingdom.

Austal Chief Executive Officer, Andrew Bellamy, noted that this contract is an important first step for Austal in becoming a supplier to the growing European renewable energy market.

"Supporting the currently installed offshore generating capacity is today an attractive market opportunity, but the projected growth in new wind farms and wave generator capacity over coming years makes this market sector a strategic component of the Austal Group's commercial vessel business."

Mr Bellamy added that Austal brings a wealth of intellectual property to the needs of this new market and has already demonstrated this to Turbine Transfers by designing highly

efficient vessels that will achieve greater speeds with a level of fuel efficiency that is superior to that of similar sized vessels in the Turbine Transfers fleet.

The contract for the 3 OSVs is notionally valued at GBP7.4M. The vessels will initially be chartered to Turbine Transfers for a period of up to five years. The vessels will be built at Austal's Henderson facility and are due for delivery in May 2012.

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About Austal

Austal is an emerging global defence prime contractor. The Group supplies revolutionary vessel platforms such as the Littoral Combat Ship and the Joint High Speed Vessel to the United States Navy, an extensive range of patrol and auxiliary vessels to defence forces around the world, and installs and maintains military communications, radar and command and control systems.

Austal's defence capabilities leverage its position as a world leader in the design and construction of customised, high performance aluminium vessels. Austal has a broad international presence with a dedicated defence shipyard in Mobile, Alabama, USA and a combined defence and commercial shipyard in Henderson, Western Australia. The Group provides defence vessel support services from its bases in Trinidad & Tobago, Oman and Darwin, Australia, and supports commercial vessels from its base in Spain. The Group's defence systems integration capability is based in Canberra. Austal further supports clients through sales offices in the United Kingdom and the United Arab Emirates.

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AUSTAL AND THE OFFSHORE WIND FARM INDUSTRY

Austal *Wind Express* Series

Austal introduced its *Wind Express* series in mid 2010, in order to capitalise on increasing market demand for transportation solutions in the burgeoning offshore wind farm industry.

By utilising Austal's world-renowned advanced hull design and engineering capabilities, each *Wind Express* vessel is specifically designed to provide offshore wind farm operators with a rugged, reliable and efficient multi-purpose work boat platform.

Characterised by their optimum personnel comfort and safety, each vessel in the *Wind Express* series can be further customised to suit specific sea conditions, routes, and payload requirements.

Further information on Austal's *Wind Express* series is available here.

The Offshore Wind Farm Industry

The Offshore Wind Farm industry is in its infancy, however tremendous growth is forecast by the European Wind Energy Association (EWEA) between now and 2020. The EWEA forecast is aided by the fact that the European Commission has set a binding target of 20 per cent of energy supplies to come from renewable energy by 2020.

The EWEA target is for 230GW of installed wind capacity in Europe, 190GW onshore and 40GW offshore by 2020. Annual investments in offshore wind power are expected to increase from €3.3 billion in 2011 to €8.81 billion in 2020.

By 2020, the United Kingdom and Germany are predicted to be the largest markets for offshore wind globally. Currently there is a significant pipeline of offshore projects at varying stages of development. There are 17 wind farms under construction in European waters, with an output totalling more than 3,500MW. In addition, a further 52 offshore wind farms in European waters have been fully consented, totaling more than 16,000MW.

While the current support and maintenance market is focused on servicing wind farms close to shore, as technology develops and experience is gained, the offshore wind industry will move into deeper water. Future wind farms located further offshore in deeper water will require larger, more advanced vessels capable of operation and safe transfer in up to 2 metre significant wave heights, whereas the current near-shore wind farms are

satisfactorily serviced by smaller, simple catamarans ranging from 15-19 metres in length, with the capability to operate in 1.0-1.5 metres significant wave heights.

Offshore support vessels are required during both the installation and commissioning phase, and the operations and maintenance phase of offshore wind farms. Current industry practice is that one support vessel is required for every 20 to 25 wind turbines. To achieve EWEA's target of 40GW of installed capacity by 2020, approximately 7,400 5MW turbines will need to be constructed over the next ten years – a rate of approximately 61 turbines per month.

This rate of growth in installed capacity suggests that the forecast demand for offshore support vessels in Europe over the next 10 years is approximately 30 new offshore support vessels per year.

Source: The European Wind Energy Association

To download high-resolution images of this vessel, please click here.