



COMPANY ANNOUNCEMENT
26 FEBRUARY 2012

AUSTAL AWARDED CONTRACT FOR ADDITIONAL US NAVY JHSVs

The United States Navy has exercised contract options funding the construction of the eighth and ninth Joint High Speed Vessels (JHSVs). The contract is valued at US\$321.7 million, taking the total value of JHSV work awarded to Austal to approximately US\$1.45 billion.

The options increase Austal's total order backlog to nearly \$2.2 billion, with shipbuilding work secured for the US operation through to mid-2016 and to mid-2015 for the Australian shipyard.

Austal's Chief Executive Officer, Andrew Bellamy, said the new JHSV contract options contributed to stability and future growth.

"These substantial, multi-year projects provide predictable revenue and workload. That enables us to plan our production approach to deliver high quality, affordable ships in the most efficient way possible and to make and implement medium and long-term strategies," Mr Bellamy said.

"Each new contract award also reflects the US Navy's confidence in Austal and its products. That provides us with significant marketing leverage with which to grow our international defence business in ships, systems and support," he added.

As prime contractor, Austal was awarded the construction contract for the first 103 metre JHSV in November 2008, with options for nine additional vessels between FY09 and FY13. The 10-ship program is potentially worth over US\$1.6 billion.

The first vessel, USNS *Spearhead* (JHSV 1), is scheduled for builder's sea trials in March. *Choctaw County* (JHSV 2) is taking shape in Austal's final assembly bay and modules for JHSV 3 are being constructed in the Module Manufacturing Facility. Another six JHSVs are now contracted with the tenth contract option scheduled to be exercised within 12 months.

Austal also recently christened a second Independence-variant 127 metre Littoral Combat Ship (LCS) for the US Navy. *Coronado* (LCS 4) is now preparing for builder's trials. Austal is the prime contractor

for a US Navy contract for up to 10 additional Littoral Combat Ships with a total value in excess of \$3.5 billion to be appropriated over a five year period. The US Navy confirmed contracts for the first two of those 10 ships in December 2010 and March 2011. Additional options are expected to be awarded in the near future.

Austal's other main government prime contract is for the design, construction and in service support of eight Cape Class Patrol Boats for the Australian Customs and Border Protection Service. Detailed design work is being finalised, with the first boat expected to be delivered in March 2013 and the last in late 2015. Austal will provide support to the fleet until at least August 2019. The vessels will be built at the Australian shipyard.

Six commercial vessels, including two contracted this year, are at various stages of design and production. This includes the first vessel to be constructed at the Philippines shipyard Austal acquired last year.

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About Austal

Austal is a global defence prime contractor. The Company designs, constructs and maintains revolutionary platforms such as the Littoral Combat Ship (LCS) and the Joint High Speed Vessel (JHSV) for the United States Navy, as well as an extensive range of patrol and auxiliary vessels for defence forces and government agencies globally. Austal also designs, installs, integrates and maintains sophisticated communications, radar and command and control systems.

Austal benefits from its position as a world leader in the design, construction and support of customised, high performance aluminium vessels for the commercial high speed ferry market, an achievement gained over a period of nearly 25 years.

Austal's primary facilities comprise a combined defence and commercial shipyard in Henderson, Western Australia; a dedicated defence shipyard in Mobile, Alabama; and a dedicated commercial shipyard in Balamban, Philippines. The Company also provides vessel support services from its facilities in Australia, the United States, Asia, Europe, the Caribbean, and the Middle East.

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