



**COMPANY ANNOUNCEMENT
15 MARCH 2012**

AUSTAL AWARDED LCS CONTRACT MODIFICATION

Austal USA has been awarded a US\$19.69 million modification to the previously awarded 10-ship, US\$3.5 billion contract to build Littoral Combat Ships (LCS).

The modification exercises options for special studies, analyses, review and class service efforts for the LCS program. This effort will assess engineering and production challenges and evaluate the cost and schedule risks from affordability efforts to reduce LCS acquisition and lifecycle costs.

Work is expected to be complete by March 2013.

END

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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