



**COMPANY ANNOUNCEMENT
1 NOVEMBER 2012**

DISTINGUISHED NAVAL SHIPBUILDER TO CHAIR AUSTAL USA

Rear Admiral USN (Retired) John "Dugan" Shipway has been elected to Chair the Board of Austal's US subsidiary Austal USA. The role extends a distinguished leadership career including 35 years in the United States Navy and senior management roles in naval shipbuilding and support.

Austal's Chairman, Mr John Rothwell, AO said Rear Admiral Shipway's technical and program management expertise would help Austal deliver its Navy contracts efficiently and effectively.

"Dugan has exceptional skills and experience in naval acquisition and shipbuilding that will be instrumental in guiding the US business, which is now a major US Navy prime contractor," he said. "That experience includes managing similar US Navy programs at the highest levels for more than two decades."

Austal is currently under contract with the US Navy to build nine 103-metre Joint High Speed Vessels (JHSV) under a 10-ship, US\$1.6 billion contract and five 127-metre Independence-variant Littoral Combat Ships (LCS), four of which are a part of a 10-ship, US\$3.5 billion contract.

Mr Rothwell said he had known Rear Admiral Shipway for many years and regarded his achievements as President of US shipbuilder General Dynamics Bath Iron Works (BIW) as particularly impressive.

"Dugan shares Austal's passion for finding and implementing innovative ways to build ships more efficiently and affordably. He is credited with reforming BIW into a lean warship manufacturer.

"That background is particularly relevant now that Austal USA has transitioned into steady production of Littoral Combat Ships and Joint High Speed Vessels. Dugan's expertise will really

help the management to focus on the on-time, on-budget delivery of the extraordinary capability those ships provide the Navy," Mr Rothwell said.

Mr Rothwell thanked Dr. Lawrence Cavaiola for his efforts as Austal USA's inaugural Chair.

"Larry has provided admirable leadership over the last four-and-a-half years, a period in which the business has grown tremendously. He remains a valued member of the Austal USA Board," he said.

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About Rear Admiral USN (Retired) John "Dugan" Shipway

During his 35 year career as an officer in the United States Navy, Rear Admiral Shipway specialised in submarines and technical and program management. This included more than four years commanding a nuclear attack submarine and 15 years in military acquisition, during which he was responsible for a broad variety of submarine, submarine weapon and submarine rescue system acquisition and maintenance programs. This included being the Chief Operating Officer of one of the United States' major warfare centers and Director of Strategic Systems Programs.

After retiring from the Navy, Rear Admiral Shipway joined the General Dynamics organisation, serving as Vice President for Full Submarine Support at General Dynamics Electric Boat before being appointed President of General Dynamics Bath Iron Works (BIW) in April 2003. During his six years in that role, BIW delivered nine Arleigh Burke Class guided missile destroyers (DDGs) to the US Navy.

In the same year he retired from BIW, he was awarded the Navy League of the United States' highest honour – the Fleet Admiral Chester W. Nimitz award for exemplary leadership in the maritime defence industry.

Rear Admiral Shipway is a member of the Strategic Advisory Group of the United States Strategic Command, the Board of Trustees of the Maine Maritime Academy and a Director of Australia's major submarine and surface combatant shipyard, ASC Pty Ltd. While at Electric Boat he worked closely with the Australian Government and ASC to establish a path to provide engineering and technical support for the Royal Australian Navy's Collins Class submarine project.

Rear Admiral Shipway joined the Austal USA Board in March this year as an Outside Director.

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. Systems development, sales and support are coordinated from Austal's facility in Canberra, Australia.

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