

**ASX Circular****Date:** 22 November 2012**Key topics**

1. Austal Limited
2. Accelerated non renounceable issue
3. ASX Code: ASB

Reading List

Client Advisers
 Compliance Managers
 DTR Operators
 Institutions
 ASX Settlement Participants
 Office Managers
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 ASX Clear Participants
 Market Participants

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No responsibility is accepted for any inaccuracies contained in the matter published.

AUSTAL LIMITED – ACCELERATED NON RENOUNCEABLE ENTITLEMENT OFFER

Participating Organisations are advised that on 22 November 2012, Austal Limited (the “Company”) announced that it will undertake a 9 for 10 accelerated non-renounceable pro rata entitlement offer of ordinary shares at an issue price of \$0.50 per share (the “Offer Price”) to raise up to approximately \$86 million (the “Entitlement Offer”).

The Entitlement Offer has two components:

- an institutional entitlement offer, where offers have been made to qualifying institutional shareholders for them to apply for their pro-rata entitlement (the “Institutional Entitlement Offer”)
- a retail entitlement offer, where an offer will be made to qualifying retail shareholders for them to apply for their pro-rata entitlement (“Retail Entitlement Offer”).

The Record Date for the Entitlement Offer is Tuesday, 27 November 2012.

The Retail Entitlement Offer is expected to close on Monday, 17 December 2012.

New ordinary shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue.

The anticipated timetable in relation to the Entitlement Offer is set out below.

Event	Date
Quotation of Shares suspended	20 November 2012
Entitlement Offer announced Institutional Entitlement Offer opens Institutional bookbuild opens	22 November 2012
Institutional Entitlement Offer closes Institutional bookbuild closes	22 November 2012
Results of Institutional Entitlement Offer announced Suspension of quotation lifted Shares recommence trading on ASX on ex entitlement basis	23 November 2012
Record date	27 November 2012
Retail Entitlement Offer opens	30 November 2012
Settlement of Institutional Entitlement Offer	4 December 2012
Allotment date for Institutional Entitlement Offer Normal trading of new Shares issued under the Institutional Entitlement Offer expected to commence on ASX	5 December 2012
Retail Entitlement Offer closes	17 December 2012
Settlement of the Retail Entitlement Offer	27 December 2012
Allotment under the Retail Entitlement Offer	28 December 2012
Normal trading of new Shares issued under the Retail Entitlement Offer expected to commence on ASX	31 December 2012

Settlement issues

Despite the fact that securities are trading “ex entitlement” on ASX Trade, CHESS will not recognise for settlement purposes the “ex entitlement” or the “cum entitlement” tag on CHESS messages and CHESS will not maintain cum balances during the deemed “CHESS ex-period”, i.e. the period commencing on the deemed CHESS Ex-Date up to and including the record date.

However, a record date cum balance will be available the business day following the record date, which will be equal to the registered holding balance at CHESS end of day on the record date. As a result any transfer that occurs prior to record date will be effectively transferred on a “cum” basis.

Therefore, Participants must ensure that any transfer, including the priming of Broker Entrepot Accounts, is conducted in accordance with the basis of quote. For example, a transfer in relation to a transaction conducted on an ex-basis should ordinarily only occur post record date.

CHESS will perform automatic diary adjustments to “cum entitlement” settlement obligations outstanding as at the record date.

Trading issues

ASX will not price a “cum” market with respect to trading in the Company’s securities. Persons who acquire the Company’s securities after the commencement of the trading halt on Friday, 16 November 2012 are not entitled to participate in the Entitlement Offer.

Further information

For further details, please refer to the Company’s recent announcements.