COMPANY ANNOUNCEMENT
23 NOVEMBER 2012

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SUCCESSFUL COMPLETION OF A$65 MILLION INSTITUTIONAL COMPONENT OF UP TO A$86 MILLION ENTITLEMENT OFFER

Austal Limited (**Austal**) is pleased to announce today the successful completion of the accelerated institutional component of its 9 for 10 non-renounceable entitlement offer (**Institutional Entitlement Offer**) to raise gross proceeds of approximately A$65 million. The offer price for all of the shares (**New Shares**) under both the institutional component and the retail component of the equity raising is $0.50 per New Share (**Offer Price**).

The institutional offer and institutional shortfall bookbuild attracted strong demand and support from both existing (Institutional Entitlement Offer) and new (institutional shortfall bookbuild) investors. The offer closed oversubscribed.

Austal CEO Andrew Bellamy said, the level of uptake from institutional investors was pleasing, both in terms of the strong support received and the ability of Austal to use the funds committed to optimise its balance sheet to harness the company’s record order book and improving profitability.

“We thank our existing institutional investors for their ongoing support, and we are delighted to welcome high quality new institutional investors to the share register” he said.

“After implementing the restructure initiatives from our strategic review, Austal’s financial performance is now trending in the right direction and the additional balance sheet strength will ensure our shareholders can derive value from the growth platform now in place.”

As announced on Thursday, 22 November 2012, the accelerated non-renounceable entitlement offer (**Entitlement Offer**), will raise up to approximately A$86 million to strengthen Austal’s balance sheet and reduce net indebtedness.

Commencement of Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open on Friday, 30 November 2012 and close at 5.00pm (Sydney time) on Monday, 17 December 2012. The Retail Entitlement Offer is expected to raise up to approximately A$21 million.

Retail shareholders eligible to participate under the terms of the Retail Entitlement Offer (**Eligible Retail Shareholders**) will be able to subscribe for 9 New Shares for every 10 Austal ordinary shares held at 7.00pm (Sydney time) on Tuesday, 27 November 2012 (the Record Date), at the same Offer Price as the Institutional Entitlement Offer.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Information Booklet, which will be sent on or around Friday, 30 November 2012, and follow the instructions set out on the personalised Entitlement and Acceptance Form that will accompany the Retail Information Booklet.

As a result of this announcement, Austal expects its voluntary suspension to be lifted and shares to recommence trading today on an ex-entitlement basis.

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Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The New Shares offered and sold in the Entitlement Offer have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration. Accordingly, the New Shares offered and sold in the Entitlement Offer may only be offered or sold to persons in the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

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Forward-looking statements

This announcement contains certain "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "should," "expect," "anticipate," "estimate," "scheduled" or "continue" or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Austal does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.