



**COMPANY ANNOUNCEMENT
19 MAY 2013**

JHSV AND LCS PROGRAM UPDATE

Austal Limited (**Austal**) (ASX:ASB) is pleased to announce that Joint High Speed Vessel USNS *Choctaw County* (JHSV 2) successfully completed Acceptance Trials (AT) on May 3, 2013, in the Gulf of Mexico. This milestone achievement involved the performance of intense comprehensive tests by the Navy while underway, which demonstrated the successful operation of the ship's major systems and equipment. This is the last significant milestone before delivery of the ship, which is expected in June.

Austal Chief Executive Officer Andrew Bellamy said, "It is very pleasing to see that the JHSV program is maturing quickly as we drive operational improvements in our state of the art production line. JHSV 3 is expected to be launched in a matter of weeks and keel laying of JHSV 4 is scheduled for later this month".

This vessel is the second of ten JHSVs that Austal has been contracted by the Navy to build in its Mobile, Ala. shipyard. The Navy selected Austal as the prime for this \$1.6 billion contract in 2008.

"With these extensive tests, this new, highly-flexible ship class continues to demonstrate its performance ability and endurance", said Capt. Henry Stevens, JHSV program manager. "Leveraging commercial design and technology, JHSV 2 is building on the successes and lessons learned from USNS *Spearhead* (JHSV 1), while improving our processes for the entire JHSV program."

The vessel is capable of transporting 600 short tons 1,200 nautical miles at an average speed of 35 knots and can operate in shallow-draft ports and waterways, interfacing with roll-on / roll-off discharge facilities and on / off-loading a combat-loaded Abrams Main Battle Tank (M1A2). Other joint requirements include an aviation flight deck to support day and night aircraft launch and recovery operations. JHSV will have airline style seating for 312 embarked forces with fixed berthing for 104.

USS *Coronado*, the US Navy's fourth LCS vessel and second built by Austal USA and General Dynamics, is currently performing builder's sea trials in the Gulf of Mexico.

Austal Chief Executive Officer Andrew Bellamy said, "Builders trials are a significant part in the vessel construction process and are the first opportunity to operate the vessel and test performance prior to delivery. Construction of the USS *Coronado* utilised the lessons learnt from the first-in-class trimaran LCS vessel, USS *Independence* (LCS 2), to improve build quality and efficiency. These developments have continued in construction of the first littoral combat ship solely contracted to Austal USA, USS *Jackson* (LCS 6), which is more than 50 per cent complete. LCS 8 and LCS 10 have also commenced construction and are progressing well."

LCS 4 is the second of two Littoral Combat Ships built by Austal USA for General Dynamics. The flagship trimaran LCS vessel, USS *Independence* (LCS 2), was delivered to the Navy in December 2009. Austal was subsequently awarded a \$3.5 billion contract direct from the US Navy in December 2010 to build a further ten LCS vessels as the prime contractor.

Funds for six LCSs under the 10-vessel contract, LCS 6, 8, 10, 12, 14 and 16, have been appropriated under options exercised by the US Navy, in line with Austal's expectations.

Austal's Singapore support team was a guest at an event attended by US Secretary of the Navy Ray Mabus on 5 May, which commemorated the maiden overseas deployment to Southeast Asia of USS *Freedom* (LCS 1, built by Lockheed Martin).

Secretary Mabus told the United States House Appropriations Subcommittee on Defense earlier this month that there were plans to deploy four LCS vessels to Singapore by 2016.

"This is one of the crucial platforms for us for the future," Secretary Mabus said. "The Straits of Malacca, all the waters around there - it is a perfect ship to operate in that environment and also with the navies in that region. The same thing goes in the Arabian Gulf".

"The capabilities that LCS, both variants, bring is crucial and will be an important part of the Navy stretching far into the future."

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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 dedicated defence 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, the Caribbean and the Middle East. Systems development, sales and support are coordinated from Austal's facility in Canberra, Australia.

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