



**COMPANY ANNOUNCEMENT
3 DECEMBER 2013**

AUSTAL ENTERS AGREEMENT TO SELL SURPLUS ASSET

Austal Limited (**Austal**) (ASX:ASB) wishes to announce it has entered into an agreement to sell the land and infrastructure at its former satellite service base at Henderson.

The surplus asset will be sold for \$21 million under an unconditional contract for sale with AME Offshore Solutions. The sale is expected to be completed in January 2014, with proceeds used to reduce debt.

The sale agreement follows an announcement on 30 April 2013 that Austal was transferring its service operations from the satellite base at Henderson into the Company's nearby primary shipbuilding facility to improve asset and staff utilisation.

The relocation of Austal's service team to the primary shipbuilding facility was completed under this consolidation, and there will be no impact on jobs through the asset sale.

Austal Chief Executive Officer Andrew Bellamy said: "Following the consolidation of our two Henderson bases, we concluded that selling the land and infrastructure at the former service base would provide the best outcome for shareholders as we deliver ongoing debt reduction."

"By transferring our service operations to the Henderson shipbuilding facility we have seen efficiency improvements, greater flexibility, and improved knowledge sharing, all of which are having a positive impact on margins."

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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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