



**COMPANY ANNOUNCEMENT
11 MARCH 2014**

U.S. NAVY FUNDS TWO FURTHER LITTORAL COMBAT SHIPS

Austal Limited (**Austal**) (ASX:ASB) is pleased to announce that the construction of two additional Littoral Combat Ships has been funded by the U.S. Navy.

The vessels, LCS 18 and LCS 20, will be the seventh and eighth vessels to be built by Austal as prime contractor under a 10 vessel, US\$3.5 billion contract with the U.S. Navy.

The funding of LCS 18 and LCS 20 adds approximately US\$684 million to Austal's order book, raising it to a record total of \$3.3 billion.

Austal Chief Executive Officer Andrew Bellamy said funding for the additional ships secured construction work at Austal's US shipyard through to FY2019.

"Our knowledge base in designing and constructing these revolutionary ships continues to grow as the LCS program matures, enabling better program outcomes for the U.S. Navy, and improved margins and returns for shareholders," Mr Bellamy said.

Austal has five Littoral Combat Ships under various stages of construction at its shipyard in Mobile, Alabama. This includes USS *Jackson* (LCS 6) – Austal's first as prime contractor, following delivery of two prior LCSs via a subcontract with General Dynamics. LCS 6 was launched in December 2013 and is preparing for sea trials before delivery by the end of CY2014. USS *Montgomery* (LCS 8) is scheduled to be launched in Q4 FY2014.

Apart from the LCS contract, Austal also has a US\$1.6 billion contract from the U.S. Navy to build ten 103-metre Joint High Speed Vessels (JHSVs), all of which are fully funded. Two of these vessels have been delivered, with JHSV 3 scheduled to be delivered by the end of March. An additional three JHSVs are under construction.

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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 more than 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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