



**COMPANY ANNOUNCEMENT
1 APRIL 2016**

U.S. NAVY FUNDS ADDITIONAL LITTORAL COMBAT SHIP

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

LCS 26 will be the eleventh Independence-variant Littoral Combat Ships built by Austal as prime contractor, with the U.S. Navy exercising an option in addition to Austal's existing 10-vessel block-buy contract. Funding for LCS 26 has been confirmed by the US Navy as not to exceed the congressional cost cap of US\$564 million increasing Austal's order book to approximately A\$3 billion.

Austal Chief Executive Officer Andrew Bellamy said: "It is pleasing to see the Navy's ongoing confidence in Austal's ability to produce these high quality vessels.

"We are working hard to increase production efficiencies and reduce costs as the program matures and look forward to constructing the newly funded ship, which secures work at our US shipyard through to CY2021."

Austal has seven LCS at various stages of construction at its shipyard in Mobile, Alabama, under a 10 vessel, US\$3.5 billion contract the U.S. Navy awarded to Austal in 2010. With the U.S. Navy also exercising its option to fund LCS 26, the total Independence-variant LCS constructed by Austal will be 13 ships; 2 as subcontractor (LCS 2 and LCS 4) and 11 as the prime contractor (LCS 6 onwards). Three LCS have been delivered.

Meanwhile, Austal is also progressing well under its \$1.6 billion contract to construct ten 103-metre Expeditionary Fast Transport (EPF) vessels for the U.S. Navy. Six EPF have been delivered, with the remaining vessels under construction at Austal's US shipyard. Austal is also procuring long-lead materials for EPF 11 under an additional contract with the U.S. Navy.

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About Austal

Austal is a global defence prime contractor and a designer and manufacturer of defence and commercial ships. For more than 27 years Austal has been a leader in the design, construction and maintenance of revolutionary ships for Governments, Navies and Ferry operators around the world. More than 255 vessels have been delivered in that time.

Ships

Defence vessels designed and built by Austal include multi-mission combatants, such as the Littoral Combat Ship (LCS) for the United States Navy and military high speed vessels for transport and humanitarian relief, such as the Expeditionary Fast Transport (EPF) – formerly known as the Joint High Speed Vessel (JHSV) – for the United States Navy and High Speed Support Vessel (HSSV) for the Royal Navy of Oman. Austal also designs, constructs, integrates and maintains an extensive range of patrol and auxiliary vessels for government agencies globally, including the Cape Class Patrol Boat Program for Australian Border Force. Defence vessels are designed and constructed in Mobile, Alabama and in Henderson, Western Australia.

Austal has been at the forefront of the high speed ferry market since the early days of the industry. Our market leading designs of high performance aluminium vessels have long been at the heart of Austal's research and development. Today, commercial ship construction is centred on our shipyard in Balamban, Philippines.

Systems

Austal has expertise in integrating complex systems into its ships, including ride control, ship management, and communication, sensors and weapon systems.

Support

Austal provides a wide range of support services, including through life support, integrated logistics support, vessel sustainment and systems support. These services are delivered through our global support network in the USA, Australia, Asia, and the Middle East together with partner shipyards worldwide.

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