



COMPANY ANNOUNCEMENT
7 FEBRUARY 2022

UNMARKETABLE PARCEL SHARE SALE FACILITY

Austal Limited (ASX: ASB) is pleased to advise that it has established an Unmarketable Parcel Sale Facility (**Facility**) for shareholders who hold less than A\$500 worth of fully paid, ordinary shares in the Company (**Shares**), (**Unmarketable Parcel**).

Based on the price of Shares at the close of trading on Friday, 4 February 2022 (**Record Date**) of A\$2.060 a holding of less than 243 Shares constitutes an Unmarketable Parcel.

The Company is providing the Facility to enable holders of Unmarketable Parcels to sell their Shares without having to act through a broker or incurring any brokerage or handling costs that would otherwise make a sale of their shares uneconomic or difficult. The Company will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be the responsibility of relevant shareholders).

The Company expects the sale of the Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to help to reduce administrative costs, including printing and mailing costs and share registry expenses associated with maintaining a large number of Unmarketable Parcels.

In accordance with the Company's Constitution and the ASX Listing Rules, the attached letter and share retention form (Share Retention Form) will be sent to all shareholders who hold an Unmarketable Parcel on the Record Date.

Shareholders with Unmarketable Parcels wishing to take advantage of the Facility and have their shares sold by the Company **do not** need to take any action. Shareholders who hold an Unmarketable Parcel and wish to retain their Shares must "opt-out" of the Facility by returning their duly completed Share Retention Form to the Company's share registry (Link Market Services Limited) in accordance with the instructions on the Share Retention Form, by no later than 5:00pm (AEST) on Wednesday, 23 March 2022 (**Closing Time**). Any shareholder who holds an Unmarketable Parcel and does not return a duly completed Share Retention Form by the Closing Time will have their Shares sold through the Facility.

Austral has appointed Euroz Hartleys as Sale Agent to sell the Shares under the Facility, and the proceeds from the sale of the Shares will be remitted to participating shareholders as soon as practicable following settlement of all Shares sold through the Facility.

The key dates in relation to the Facility are set out below:

EVENT	DATES
Record Date for establishing holders of Unmarketable Parcels	Friday, 4 February 2022
ASX announcement regarding Unmarketable Parcels Sale Facility	Monday, 7 February 2022
Letter and Share Retention Form despatched to shareholders holding an Unmarketable Parcel	Wednesday, 9 February 2022
Closing Time for receipt of completed Share Retention Forms	5:00pm (AEST), Wednesday 23 March 2022

Austral reserves the right to change any of the dates referred to in this announcement or the enclosed letter and Share Retention Form, or to vary, cancel or delay the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX.

The Company has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under rule 5.4 of the Constitution and rule 15.13 of the ASX Listing Rules.

The Company does not provide any recommendation or advice as to whether shareholders holding an Unmarketable Parcel should sell or retain their Shares.

If you have any questions about the operation of the Facility, please contact the Company on +61 8 9410 1111.

Below is the letter sent to eligible shareholders enclosing the Unmarketable Parcel Sale Facility terms and conditions.

This ASX announcement has been approved and authorised for release by Paddy Gregg, Austral Limited's Chief Executive Officer.

-ENDS-

Media Contact:

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About Austal:

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

For more than 30 years Austal has contracted more than 340 vessels for over 121 commercial and defence operators in 59 countries, worldwide.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. Austal has industry-leading shipyards in Australia, the United States of America, Philippines and Vietnam with service centres worldwide, including the Middle East.

Austal delivers iconic monohull, catamaran and trimaran commercial vessel platforms – including the world's largest trimaran ferry and multiple defence programs such as the Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) for the United States Navy.

Austal has grown to become the world's largest aluminium shipbuilder and is Australia's largest defence exporter.

Austal Limited ACN 009 250 266
100 Clarence Beach Road
Henderson, Western Australia 6166

9 February 2022

Dear Shareholder,

Austal Limited ("Austal" or "Company") – Sale of Unmarketable Parcels of Shares Facility

Austal is pleased to advise that the Company has established an Unmarketable Parcel Sale Facility (**Facility**) for holders of parcels of fully paid ordinary shares in the Company (**Shares**) with a market value of less than A\$500 as at the close of trading on Friday, 4 February 2022 (**Record Date**), (**Unmarketable Parcel**).

Based on the price of Shares on the close of trading on the Record Date of A\$2.060, a holding of less than 243 Shares constitutes an Unmarketable Parcel.

Austal appreciates that Unmarketable Parcels can be difficult or expensive to sell, so the Company is offering the Facility to enable shareholders who hold an Unmarketable Parcel to sell their Shares without having to act through a broker or pay brokerage or handling fees. The Company will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be the responsibility of relevant shareholders).

The sale of Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

Austal has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under rule 5.4 of the Company's Constitution (**Constitution**) and rule 15.13 of the ASX Listing Rules.

Why are you receiving this letter?

Our records indicate that you held an Unmarketable Parcel of Shares based on the price of Shares of A\$2.060 as at close of trade on the Record Date. Unless you advise the Company by 5:00pm (AEST) on Wednesday, 23 March 2022 (**Closing Time**) that you do **NOT** wish to sell your Shares, the Company intends to sell your Shares through the Facility in accordance with rule 5.4 of the Constitution and rule 15.13 of the ASX Listing Rules.

To advise the Company that you do **NOT** wish to sell your Shares, you must complete the share retention form (**Share Retention Form**) enclosed with this letter, and return it to the Company's share registry, Link Market Services Limited (**Link Market Services**), in accordance with the instructions on the Share Retention Form, prior to the Closing Time.

If, at the Closing Time, the value of your Shares has increased such that you no longer have an Unmarketable Parcel (e.g., due to an increase in the market price of Shares or the number of Shares you hold), your Shares will **NOT** be sold.

If you have multiple holdings of Shares which, if aggregated, would not constitute an Unmarketable Parcel, you may contact Link Market Services at 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) to amalgamate your holdings. In these circumstances, your Shares will not be sold.

Please also note that pursuant to rule 5.4(h) of the Constitution and rule 15.13.5 of the ASX Listing Rules, the Company will not sell your Shares in the event that a third party announces a takeover offer for the Company.

In accordance with its continuous disclosure obligations, the Company may release information to the ASX which may affect your decision as to whether you wish to sell or retain your Shares. If such information is released, it will be published on the ASX website (www.asx.com.au ASX code: ASB) and on the Company's website (www.austal.com).

You should be aware that the fact that your holding of Shares is described in this letter as an "unmarketable parcel" does not mean that you cannot sell your Shares at any time. The use of the term "unmarketable parcel" in this letter is to identify the value of Shares which are eligible for sale through the Facility.

What do you need to do?

As a holder of an Unmarketable Parcel as at the Record Date, your options are described below:

1. Sell your Unmarketable Parcel

If you **WISH TO SELL** your Shares through the Facility, you should **TAKE NO ACTION**. By refraining from taking any action, you will be deemed to have irrevocably appointed the Company as your agent to:

- (a) sell, or procure the sale of, all of your Shares at a price to be determined, without any costs being incurred by you; and
- (b) deal with the proceeds of the sale as set out in this letter (for more information about the payment of the sale proceeds through Link Market Services, please refer to Question 9 of the **enclosed** Terms & Conditions).

The Company has appointed Euroz Hartleys (**Sale Agent**) to facilitate the sale of the Unmarketable Parcels. Payment for your Shares will be remitted to you by Link Market Services on behalf of the Company as soon as practicable, following settlement of the sale of all Shares sold through the Facility.

2. Retain your Unmarketable Parcel

If you **DO NOT WISH TO SELL** your Unmarketable Parcel, you **MUST OPT-OUT** of the Facility by completing and returning the **enclosed** Share Retention Form in accordance with the instructions on the Share Retention Form so that it is received by Link Market Services prior to the Closing Time.

Key dates

The key dates in relation to the Facility are set out below:

EVENT	DATES
Record Date for establishing holders of Unmarketable Parcels	Friday, 4 February 2022
ASX announcement regarding Unmarketable Parcels Sale Facility	Monday, 7 February 2022
Letter and Share Retention Form despatched to shareholders holding an Unmarketable Parcel	Wednesday, 9 February 2022
Closing Time for receipt of completed Share Retention Forms	5:00pm (AEST), Wednesday 23 March 2022

Austal reserves the right to change any of the dates referred to in this letter or the **enclosed** Terms & Conditions or Share Retention Form, or to vary, cancel or delay the Facility or the sale of your Shares at any time before your Shares are sold, by making an announcement to ASX.

The Company does not provide any recommendation or advice as to whether you should sell or retain your Shares.

Enclosed are the Terms & Conditions relating to the Facility which answers questions that you may have with respect to the sale of Unmarketable Parcels. **These Terms and Conditions are important. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.**

If you have any other questions about the operation of the Facility, please contact the Company on +61 8 9410 1111

Yours faithfully,

Adrian Strang
 Company Secretary
 Austal Limited

Austal Limited (ABN 73 009 250 266)
Unmarketable Parcels Share Sale Facility ("Facility")
Terms and Conditions

1. What is an Unmarketable Parcel?

An Unmarketable Parcel is a holding of fully paid ordinary shares in Austal Limited (**Shares**), (**Company**) that is valued at less than \$500. Based on the closing price of Shares on Friday, 4 February 2022 (**Record Date**) of A\$2.060, this is equivalent to a holding of less than 243 Shares.

2. Why has the Facility been established?

The Company has decided to establish an Unmarketable Parcel Sale Facility (**Facility**) to enable you to sell your Unmarketable Parcel without incurring brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The sale of Unmarketable Parcels through the Facility will also enable the Company to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares.

3. Why have I received this letter?

You have received this letter because our records indicate that you held an Unmarketable Parcel of Shares based on the price of Shares of A\$2.060 as at close of trade on the Record Date.

4. What do I need to do to sell my Shares?

If you wish to sell your Shares you should **TAKE NO ACTION**. Your Shares will be sold through the Facility unless a duly completed Share Retention Form in respect of your Shares is received by the Company's Share Registry (**Link Market Services**) before 5:00pm (AEST) on Wednesday, 23 March 2022 (**Closing Time**) in accordance with the instructions on the Share Retention Form. A Share Retention Form is **enclosed** with this letter.

5. What if I do not wish to sell my Unmarketable Parcel?

If you do not wish to sell your Shares, you **MUST OPT-OUT** of the Facility by completing and returning the **enclosed** Share Retention Form to the address provided in the Share Retention Form so that it is received by Link Market Services prior to the Closing Time. If Link Market Services has not received your Share Retention Form by the Closing Time, your Shares will be sold through the Facility.

Alternatively, you can purchase more Shares on-market so that you hold at least \$500 worth of Shares as at the Closing Time. See Question 12 below for further information.

6. How will my shares be sold under the Facility?

The Company may arrange for the sale of the Shares under the Facility by way of on-market sale, or in any way they consider reasonable in the circumstances (e.g., off-market sale). The Company has appointed Sale Agent, Euroz Hartleys, to assist for this purpose.

7. What price will I receive for Shares sold through the Facility?

The price to be paid for the Shares sold under the facility has not been fixed. It will depend on when and how the Shares are sold. While the Company will endeavour to procure the best price for the Shares, there can be no assurance as to what this price will be, or that it will be the best possible price.

If the Shares are sold on-market, the price received for them will depend on market conditions at the time of sale, as well as a number of other relevant factors. However, if the Shares are not sold on-market, the price will be the price that the Company (or the Sale Agent engaged by the Company to assist with the Facility) have been able to negotiate with the acquirer(s).

You will not have control over the time or price at which your Shares are sold, and the price you receive may not reflect the price of Shares appearing in the media or quoted by the ASX on any given day, nor be the best price for Shares available on the day your Shares are sold.

8. Do I need to pay anything if I participate in the Facility?

The Company will pay all costs and expenses arising in connection with the Facility. Any tax payable, or other tax consequences from the sale, will be your responsibility.

9. When will I receive the proceeds for the Shares sold?

Payment will be remitted to you following settlement of all Shares sold under the Facility as soon as reasonably practicable. If your direct credit details or address requires updating, you can amend your details online through Link Market Services' website at www.linkmarketservices.com.au Payment will be made in Australian dollars.

10. What are the advantages and disadvantages of participating in the Facility?

You may consider the following consequences of participating in the Facility to be advantageous to you:

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoiding any brokerage or related selling expenses in connection with the sale of your Shares; and
- utilising a cost-effective way of disposing of an Unmarketable Parcel.

You may consider the following consequences of participating in the Facility to be disadvantageous to you:

- no longer holding any Shares in the Company (unless you subsequently buy more Shares);
- possible capital gains tax being payable; and
- the price of the Company's Shares subsequently rising following the sale of your Shares (although there is no way of predicting whether this would actually occur).

11. What if the price of Shares changes between the Record Date and the Closing Time?

If the market price of Shares increases between the Record Date and the Closing Time, such that at the Closing Time the value of your Shares is equal to or greater than \$500, your Shares will not be sold through the Facility.

12. If I buy more Shares in the Company, will I retain my holding?

The Company will not sell your Shares if you increase your holding to a marketable parcel, being a holding of Shares with a market value of at least \$500 based on the price of Shares as at the Closing Time.

Please note that any additional Shares acquired must be registered by the Closing Time, under the same name and address and with the same holder number (SRN or HIN) as set out in the enclosed Share Retention Form.

13. What if I hold multiple Unmarketable Parcels of Shares?

If you hold multiple Unmarketable Parcels of Shares, you must complete and return a Share Retention Form for each separate Unmarketable Parcel that you wish to retain.

Alternatively, you may aggregate your multiple holdings to avoid them being sold. To do this, please contact Link Market Services on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

If you wish to sell your Unmarketable Parcels through the Facility, you should take no action.

14. What if my holding of Shares in the Company is a CHESS Holding?

If your Shares remain in a CHESS Holding, the Company may move those Shares to an Issuer Sponsored Holding and the Shares will then be sold under the Facility.

15. Does the Company have the authority to establish the Facility?

The Company has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under rule 5.4 of the Constitution and rule 15.13 of the ASX Listing Rules.

16. Where can I obtain further information?

If you have any other questions about the operation of the Facility, please contact the Company on +61 8 9410 1111

17. What if I am unsure of what to do?

If you are in doubt about what to do, you should consult a financial, legal or taxation adviser. These Terms and Conditions do not constitute advice, nor is it a recommendation to sell, buy or hold Shares.

18. Important notes

The Company reserves the right to change any of the dates referred to in this letter or the enclosed Terms and Conditions or Share Retention Form, or to vary, cancel or delay the Facility or the sale of your Shares at any time before your Shares are sold, by making an announcement to ASX.



All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
Facsimile: +61 2 9287 0303
ASX Code: ASB
Website: www.linkmarketservices.com.au

ID:

SRN/HIN:

**Number of Shares held as at
the Record Date, 5:00pm (AEST) on
4 February 2022:**

IMPORTANT NOTICE

Please return this slip if you do not wish your Shares in Austal Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

SHARE RETENTION FORM

If you wish to retain your Shareholding in Austal Limited ("Austal") you must detach this slip and return it to Austal's Registry, so that it is received no later than 5:00pm (AEST) on the 23 March 2022. Slips may be mailed to the addresses below.

Mailing Address

Austal Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEST) ON THE 23 MARCH 2022**

If you have any other questions about the operation of the Facility, please contact the Company on +61 8 9410 1111

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



Please detach

ID:

SRN/HIN:



RETENTION SLIP

I/We the Shareholder(s) described above by returning this retention slip, hereby give notice that I/we wish to retain my/our Shareholding in Austal, pursuant to clause (x) of Austal's constitution.



DO NOT SELL MY SHARES

CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name