



**COMPANY ANNOUNCEMENT
22 DECEMBER 2015**

**AUSTAL AWARDED LCS SUPPORT CONTRACT WORTH UP TO
US\$198 MILLION**

Austal Limited (Austal) (ASX:ASB) is pleased to announce that Austal USA has been awarded a contract for US\$51,684,797 to its 11-ship \$3.5 billion Littoral Combat Ship (LCS) contract for the U.S. Navy. This contract modification is expected to increase to US\$198,385,545 over three years if options are exercised. This work includes design services for upgrades to the LCS and preliminary design for the US Navy's future Frigate.

"This contract directly reflects our customer's confidence in Austal's ability to build and support highly advanced ships and to meet today's changing requirements," said Austal Chief Executive Officer Andrew Bellamy.

Work will be performed at Austal's state-of-the-art ship manufacturing facility in Mobile, Alabama, USA. Work will begin immediately based on the US\$51,684,797 funding with an additional US\$14 million funding expected in March 2016 with the remaining funding expected in two yearly increments 12 months after the initial awards.

"This agreement is a key indicator of our maturing support business in the US," said Bellamy.

Austal's LCS and Frigate design services consist of special studies supporting engineering design and trade-offs, core class studies that support program management efforts including configuration control and maintenance of the class design for ships under construction, and class services which include ongoing technical support for design modifications and maintenance of the LCS configuration and baseline design for delivered ships as well as future flight upgrades. These upgrades include preliminary design efforts for the LCS transition to the frigate.

- Ends -

About Austal

Austal is a global defence prime contractor and a designer and manufacturer of defence and commercial ships. For more than 25 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 250 vessels have been delivered in that time.

For personal use only

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 Transports (EPF) formerly 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 (formerly Customs and Border Protection). 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.

For further information contact:

Austal, Public Relations

Tel: +61 8 9410 1111

Fax: +61 8 9410 2564

Email: pubrel@ausstal.com

Website: www.austal.com