



**COMPANY ANNOUNCEMENT
18 APRIL 2016**

**AUSTAL SELECTED AS PREFERRED TENDERER FOR
PACIFIC PATROL BOAT REPLACEMENT PROJECT**

Austal Limited (**Austal**) (ASX:ASB) is pleased to announce it has been awarded preferred tenderer status by the Commonwealth of Australia for the Pacific Patrol Boats Replacement (PPBR) Project.

The PPBR project involves the construction of up to 21 steel-hulled patrol vessels and through life sustainment over 30 years in a total Government expenditure of up to \$900 million. Austal's share of the PPBR program will include the construction of the vessels and short to medium term maintenance components of the project.

Austal will now work with the Commonwealth of Australia to complete documentation and finalise the contract over the coming weeks. Full details will be provided to the market when the contract is finalised.

Austal plans to construct the Pacific Patrol Boats in its shipyard in Henderson, WA, with through-life support to be performed at Austal's existing facility in Cairns, Queensland. The vessels will replace the existing Pacific Patrol Boat fleet, which is approaching the end of its service life, and will assist Pacific Island countries to continue to take an active part in securing their own extensive Exclusive Economic Zones.

Austal Chief Executive Officer David Singleton said: "I am delighted that we have been selected as preferred tenderer, adding to our long history of constructing patrol boats at our shipyard in Henderson, Western Australia.

"Austal has delivered Australia's entire border patrol capability – comprising 30 vessels delivered over the past 17 years – and we look forward to extending this by constructing and servicing vessels that will be used by many of our neighbours in the South Pacific.

“Construction of the Pacific Patrol Boats also extends Austal’s shipbuilding capability into steel-hulled vessels, which will be important for the future construction of Offshore Patrol Vessels.

“This project will add to our existing work at our Henderson shipyard, where two High Speed Support Vessels are being constructed for the Royal Navy of Oman this year as well as two additional Cape Class Patrol Boats.”

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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) – previously 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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