

AUSTAL LIMITED

ACN 009 250 266

Addendum to Notice of Annual General Meeting

Date of Meeting:	Friday 28 October 2016
Time of Meeting:	3.00 pm (WST)
Place of Meeting:	Fremantle Sailing Club Marine Terrace Fremantle Western Australia

The Annual General Meeting of the Shareholders of Austal Limited will be held at the **Fremantle Sailing Club, Marine Terrace, Fremantle, Western Australia** on **Friday 28 October 2016 at 3.00 pm (WST)** for the purpose of transacting the business referred to in the Notice of Annual General meeting lodged with ASX and sent to shareholders on 28 September 2016 (**Notice of Meeting**).

This addendum to the Notice of Meeting is issued for the purposes making 2 corrections to the Notice of Meeting as set out herein.

Addendum to Notice of Annual General Meeting

1. Resolution 3 – Approval of the issue of shares to Mr. David Singleton

In the Notice of Meeting, Resolution 3 is set out as follows:

“That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of:

- 1. 296,473 fully paid ordinary Shares to Mr David Singleton (or his permitted nominee) as fixed equity-based remuneration for the period 8 February 2016 – 30 June 2016; and*
- 2. A further number of fully paid ordinary shares to Mr David Singleton (or his permitted nominee) every 6 months over the next 3 years (commencing in January 2017) as fixed equity-based remuneration for the 2017, 2018 and 2019 financial years, to the value of 30% of his salary and determined on a monthly basis by reference to the volume-weighted average price of the Company’s Shares over the last 5 trading days of each month during that period,*

in accordance with the terms and conditions set out in the Explanatory Memorandum.”

However the number of shares described in paragraph 1 above contains a typographical error. The correct number is **96,473** (as set out in the Explanatory Memorandum to the Notice of Meeting), not 296,473.

Therefore the resolution should read (and the resolution to be put to the meeting will be):

“That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of:

- 1. 96,473 fully paid ordinary Shares to Mr David Singleton (or his permitted nominee) as fixed equity-based remuneration for the period 8 February 2016 – 30 June 2016; and*
- 2. A further number of fully paid ordinary shares to Mr David Singleton (or his permitted nominee) every 6 months over the next 3 years (commencing in January 2017) as fixed equity-based remuneration for the 2017, 2018 and 2019 financial years, to the value of 30% of his salary and determined on a monthly basis by reference to the volume-weighted average price of the Company’s Shares over the last 5 trading days of each month during that period,*

in accordance with the terms and conditions set out in the Explanatory Memorandum.”

2. Resolution 4 – Approval of the issue of Performance Rights to Mr. David Singleton

In the Notice of Meeting, Resolution 4 is set out as follows:

“That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 958,339 Performance Rights under the Austal Limited Long Term Incentive Plan to Mr David Singleton on the terms and conditions set out in the Explanatory Memorandum, and the issue of any Shares pursuant to the Performance Rights.”

However the number of Performance Rights described in this resolution relates to the period 1 July 2016 – 30 June 2017. Subject to shareholder approval, Mr Singleton is eligible for performance rights from the date on which he commenced employment as Chief Executive Officer, which was some months before 1 July 2016. The correct number is **1,194,121** Performance Rights.

Therefore the resolution should read (and the resolution that will be put to the meeting will be):

“That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 1,194,121 Performance Rights under the Austal Limited Long Term Incentive Plan to Mr David Singleton on the terms and conditions set out in the Explanatory Memorandum, and the issue of any Shares pursuant to the Performance Rights.”

The same change applies to the explanation of this Resolution in the Explanatory Memorandum to the Notice of Meeting.

All other contents of the Notice of Meeting (including any voting exclusion or entitlement statements and proxy instructions) and Explanatory Memorandum remain unchanged.

**BY ORDER OF THE BOARD
AUSTAL LIMITED**

A handwritten signature in black ink, appearing to be 'John Rothwell', written over a light blue horizontal line. The signature is stylized and extends to the right.

John Rothwell
Non-executive Chairman
7 October 2016