



**COMPANY ANNOUNCEMENT
16 DECEMBER 2018**

AUSTAL AWARDED LCS 36 AND 38

AUSTAL (ASX: ASB) is pleased to announce that the United States Department of Defence has awarded Austal USA a contract to build two additional Littoral Combat Ships (LCS) for the US Navy fleet. This brings the total of new LCS orders booked in calendar year 2018 to four ships.

For competition reasons the US Navy has not announced the actual contract value but has stated that award is under the congressional cost cap of US\$584 million per ship.

“This latest order from the US Navy is a tremendous endorsement of Austal’s unique aluminium trimaran and further evidence of the important role Austal plays in building the United States Navy” Austal CEO, David Singleton said.

“We have been very successful, winning two Littoral Combat Ships per annum in competitions in each of the last three US Government financial years. This has been achieved as a result of a highly focused and successful program of production efficiency at our shipyard in Alabama and is a credit to that team”

“The award of LCS 36 and 38 will mean that Austal has a forward order book of a further ten ships to deliver in a continuous production program that now extends out to 2025. This strong order book creates continuity and certainty of workload for the Austal workforce in Alabama who have achieved so much. For our shareholders, the order book will drive continued growth in earnings over the next few years”

“Growth in the order book will also continue to drive ship support and sustainment revenues over the coming years adding further reliability to Austal’s earnings. This is an increasingly important part of the revenue base of the company and is likely to continue to grow significantly, well into the future, as ships are delivered and deployed around the world” he said.

With nine delivered, and a further ten vessels either under construction or awaiting construction (including the future USS Canberra) these two additional ships represent Austal’s eighteenth and nineteenth ships in the Independence Class.

The Littoral Combat Ship's role continues to take shape as a key component of the Navy's ability to gain sea control through distributed lethality. Austal continues to deliver these ships on-time and on-budget to support the needs of the fleet. The Independence-variant LCS, along with Austal's highly successful EPF are designed, constructed and well positioned to meet the needs of the fleet today and into the future. The flexibility and capacity of the Austal USA shipyard to deliver the LCS and EPF are well suited to efficiently support the Navy's desired fleet size of 355 ships with affordable solutions.

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Further Information:

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About Austal

Austal is an Australian shipbuilder and global defence prime contractor which designs constructs and sustains some of the world's most advanced commercial and defence vessels.

Austal successfully balances commercial and defence projects and celebrates 30 years of success in 2018. Austal has designed, constructed and delivered more than 300 commercial and defence vessels for more than 100 operators in 54 countries worldwide.

Austal is Australia's largest defence exporter and the only ASX-listed shipbuilder. Austal has industry leading shipyards in Australia, the United States of America, Philippines and recently opened a new shipyard in Vietnam together with service centres worldwide.

Austal delivers primarily all aluminium 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.