



**COMPANY ANNOUNCEMENT
22 MARCH 2017**

AUSTAL AWARDED US\$36M LCS CONTRACT MODIFICATION

Austal Limited (Austal) (ASX:ASB) is pleased to announce that the United States Department of Defense has awarded Austal USA a cost-plus-fixed-fee modification to a previously awarded contract for Littoral Combat Ship (LCS) core class services, with a potential value of US\$36.6million (A\$47.8million).

The contract modification is to exercise options for the accomplishment of LCS core class services and special studies.

Austal USA will assess engineering and production challenges, evaluate cost and schedule risks, conduct studies and analyses of alternate processes as well as test new technology candidates, as directed by the United States Government.

The additional work is expected to be completed by March 2018.

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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 28 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) ships for the

U.S. 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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