



COMPANY ANNOUNCEMENT
24 MARCH 2020

**AUSTAL USA OPERATIONS REMAIN OPEN. US NAVY SHIPBUILDING
DECLARED A CRITICAL ROLE IN US NATIONAL DEFENCE.**

Austal (ASX:ASB) advises that the U.S. Navy and U.S. Department of Homeland Security have identified Austal USA and U.S. defence ship building activities as mission essential industries during the COVID-19 pandemic. The U.S. Government is working with Austal USA to ensure all efforts are taken to protect the workforce, and continue production and maintenance of ships.

Assistant Secretary of the United States Navy (Research, Development and Acquisition), James F. Geurts, identified Austal USA as performing a critical role in the national defence of the United States of America, during the COVID-19 pandemic.

In a letter dated 19 March 2020, addressed to Austal USA President, Mr Craig Perciavalle, Assistant Secretary Geurts emphasised the importance of Austal USA's (naval) ship construction and repair efforts, which are collectively meeting a national need that is "unwavering and crucial" to national security.

"Given the mission essential functions you perform, while ensuring the safety and wellbeing of the workforce, I cannot stress enough the importance of accomplishing this (shipbuilding) mission," Assistant Secretary Geurts wrote.

Austal USA currently has six ships under various phases of construction at the company's Mobile, Alabama shipyard, including the *Independence*-class Littoral Combat Ship (LCS) and *Spearhead*-class Expeditionary Fast Transport (EPF).

The Company's US operations provide 77 per cent of Austal's revenue and 89 per cent of its Earnings Before Interest and Tax.

Austal Chief Executive Officer, Mr David Singleton said the USA shipyard is adhering to the strict safety guidelines issued by the United States Centers of Disease Control and Prevention and the World Health Organization and has taken a number of significant steps to ensure workforce safety at the shipyard.

He said the company's precautions to date have included travel restrictions for non-essential employees, detailed reviews of recently travelled employees, comprehensive facility sanitisation, social-distancing, and moving to virtual meetings whenever and wherever practical.

Austal USA, as a defence industry contractor, is considered an essential critical infrastructure employer as defined by the U.S. Department of Homeland Security. The company employs around 4,000 people and is contracted to deliver 19 Littoral Combat Ships and 14 Expeditionary Fast Transport ships to the United States Navy, with 11 of each class delivered to date.

Austal's shipbuilding and sustainment operations throughout Australia, Philippines and Vietnam remain open and continue to operate, complying with all local, applicable COVID-19 response directives issued by respective Governments and Health Authorities.



Austal USA is continuing to construct and support the United States Navy's fleet of Independence-class Littoral Combat Ships and Spearhead-class Expeditionary Fast Transport ships; performing an important role in the national defence of the United States of America. (image: US Navy)

This ASX announcement has been approved and authorised for release by David Singleton, Austal Limited's Chief Executive Officer.

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About Austal:

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

For more than 30 years Austal has contracted more than 300 vessels for over 100 commercial and defence operators in 54 countries, worldwide.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. Austal has industry-leading shipyards in Australia, the United States of America, Philippines and Vietnam with service centres worldwide, including the Middle East.

Austal delivers iconic 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 is the only foreign-owned prime contractor designing, constructing and sustaining ships for the US Navy.

Austal has grown to become the world's largest aluminium shipbuilder and is Australia's largest defence exporter.

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