



**COMPANY ANNOUNCEMENT
16 JANUARY 2014**

AUSTAL COMPLETES SALE OF SURPLUS ASSET

Austal Limited (**Austal**) (ASX:ASB) is pleased to announce the contract to sell the land and infrastructure at its former satellite service base at Henderson has been executed and settled.

Under the sale agreement with AME Offshore Solutions, Austal has received \$21 million for the surplus asset, in line with the announcement made to the market on 3 December 2013.

Net proceeds from the sale of approximately \$17 million will be used to further pay down infrastructure-related debt.

Austal Chief Executive Officer Andrew Bellamy said in addition to using the proceeds to pay down debt, the sale will enable Austal to continue delivering on a number of ongoing operational and financial benefits.

“Our strategy at Henderson has been to increase staff and asset utilisation to improve efficiencies, flexibility, and knowledge sharing to drive greater profitability at the shipyard,” Mr Bellamy said.

“Since consolidating the shipbuilding and service facilities in April 2013 we have increasingly seen these benefits flow through.

“With the sale of the former service base now complete, our sole focus at Henderson is the ongoing delivery of the Cape Class Patrol Boat program and service contracts, while developing our pipeline for variant-style defence vessels to sustain the shipyard.”

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About Austal

Austal is a global defence prime contractor. The Company designs, constructs and maintains revolutionary platforms such as the Littoral Combat Ship (LCS) and the Joint High Speed Vessel (JHSV) for the United States Navy, as well as an extensive range of patrol and auxiliary vessels for defence forces

and government agencies globally. Austal also designs, installs, integrates and maintains sophisticated communications, radar and command and control systems.

Austal benefits from its position as a world leader in the design, construction and support of customised, high performance aluminium vessels for the commercial high speed ferry market, an achievement gained over a period of more than 25 years.

Austal's primary facilities comprise a dedicated defence shipyard in Henderson, Western Australia; a dedicated defence shipyard in Mobile, Alabama; and a dedicated commercial shipyard in Balamban, Philippines. The Company also provides vessel support services from its facilities in Australia, the United States, Asia, the Caribbean, and the Middle East. Systems development, sales and support are coordinated from Austal's facility in Canberra, Australia.

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