Further to its recent announcement regarding the expansion of its Mobile, Alabama facilities to build steel ships, Austal Limited (ASX:ASB) is pleased to announce the execution of a conditional agreement to purchase additional waterside land and facilities in Mobile, Alabama. This property and facilities on the Mobile River include a dry dock capable of launching not only its current range of vessels but heavier steel ships in the future. On 22nd June, 2020 Austal announced the intention to spend approximately US$100million on building a steel shipbuilding capability co-funded by the United States Government, to provide additional capability alongside Austal's existing aluminium construction operations.

Austal has entered into an agreement with Modern American Recycling and Repair Services of Alabama (MARRS) today to acquire over 15 acres of waterfront land, buildings, and assets including an existing dry dock on the MARRS’s Mobile riverfront property in Mobile, Alabama, USA. Subject to satisfaction of the relevant conditions to purchase, the acquisition would be a useful expansion of Austal’s capacity in the Mobile area. The acquisition would support Austal USA’s new construction and service strategy by securing launch and deep water berthing capability in support of future new construction efforts including steel ships, while also giving Austal USA increased service and repair capacity in Mobile.

The acquisition is subject to a number of conditions that are required to be satisfied before completion, which is targeted to occur in the next few weeks. The specific conditions cannot be disclosed, however they are not unusual in transactions of this nature. The acquisition price is under US$10 million and will be funded from cash holdings.

Austal USA is the one of the largest shipbuilders in the United States. The Company's manufacturing facility and headquarters is located on 164 acres of land on the Mobile River. MARRS is located across the river and will increase the ability of Austal USA to expand its aluminium, steel and repair operations in a vital part of the United States that, boasts a rich tradition of shipbuilding and repair work.
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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