

COMPANY ANNOUNCEMENT 26 JUNE 2018

AUSTAL AWARDED US\$16MILLION CONTRACT FOR ADDITIONAL LCS DESIGN SERVICES

Austal Limited (Austal) (ASX: ASB) today announced the United States Department of Defense has awarded Austal USA US\$16,303,195 for a cost-plus-fixed fee to a previously awarded contract.

The order provides for Littoral Combat Ship class design service, including integrated data and product model environment (IDPME) support. Austal will provide class design products including technical analyses, engineering, configuration management, software maintenance and development, production assessment, diminishing manufacturing sources and sea-frame reliability analysis.

The work will be conducted by Austal USA across the Mobile, Alabama and Pittsfield, Massachusetts facilities for completion by June 2019.

"The LCS has a significant economic footprint in the United States, supporting tens of thousands of jobs through the contributions of more than 900 local suppliers in 41 states involved in the program," Austal CEO, David Singleton said.

"Austal is very proud of the LCS Program and we are focused on providing the most cost-effective and capable small surface combatants in the world for the US Navy" he said.

The Littoral Combat Ship is a 127m, Frigate sized vessel built at Austal's facility in Mobile, Alabama. The program is operating at a full rate of production with two vessels already delivered in 2018 and a further six ships currently under construction. A further two, LCS28 and LCS30 (USS Canberra) are in the pre-construction phase.

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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 and Philippines and service centres worldwide.

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 has grown to become the world's largest aluminium shipbuilder.