Austal Limited (Austal) (ASX:ASB) is pleased to announce that construction of two additional Littoral Combat Ships has been funded by the U.S. Navy.

The vessels, LCS 22 and LCS 24, will be the ninth and tenth Independence-variant Littoral Combat Ships built by Austal as prime contractor under its existing 10-vessel contract with the U.S. Navy. Funding for LCS 22 and LCS 24 adds approximately US$691 million to Austal’s order book, raising it to a total of A$3.1 billion.

Further to funding the two vessels under the existing contract, the U.S. Navy has also included an option for the construction of an additional Littoral Combat Ship, LCS 26, which can be exercised in CY2016. If the option is exercised, it would bring the total Independence-variant LCS constructed by Austal to 13 ships; 2 as subcontractor (LCS 2 and LCS 4) and 11 as the prime contractor (LCS 6 onwards).

Austal Chief Executive Officer Andrew Bellamy said: “It is pleasing to see the Navy’s confidence in Austal’s ability to produce these high quality vessels.

“We have developed considerable know-how as the LCS program has matured and look forward to constructing the newly funded ships, which secure work at our US shipyard through to CY2020.”

Austal has seven LCS at various stages of construction at its shipyard in Mobile, Alabama, under a 10 vessel, US$3.5 billion contract the U.S. Navy awarded to Austal in 2010. This includes USS Jackson (LCS 6) – Austal’s first under the contract – which has begun sea trials with delivery around the middle of CY2015, and Montgomery (LCS 8), which is preparing for sea trials and delivery by the end of the year.

Meanwhile, Austal is also progressing well under its $1.6 billion contract to construct ten 103-meter Joint High Speed Vessels (JHSV) for the U.S. Navy. Four JHSV have been delivered, while USNS Trenton (JHSV 5) has successfully completed Acceptance Trials and is scheduled to be delivered later this month. Three further Joint High Speed Vessels are under construction at Austal’s US shipyard.
About Austal

Austal is a global defence prime contractor and a designer and manufacturer of defence and commercial ships. For more than 25 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 250 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 Joint High Speed Vessel (JHSV) for the United States 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 Customs and Border Protection. 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, the Caribbean and the Middle East together with partner shipyards worldwide.

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