



**COMPANY ANNOUNCEMENT
21 AUGUST 2017**

COMMERCIAL FERRY CONTRACT SPECULATION

Austal Limited (ASX:ASB) is currently in discussions with Fjord Line AS, a commercial ferry company in Norway. Fjord Line has made a public statement concerning its purchase of a vessel to be built by Austal.

Austal is negotiating the potential sale of a 109 metre RoPax catamaran to Fjord Line, however these negotiations are incomplete and any agreement is subject to fundamental conditions precedent to contract which have not yet been satisfied. If these conditions are satisfied, the contract will be valued at over \$100 million. The vessel would be the eighth large (greater than 100 metres long) high speed RoPax ferry produced for international operators at Austal's Henderson shipyard since 2001. Design and construction of the vessel, which shares many features with the 109 metre catamaran currently under construction for Mols Linien in Denmark, would commence immediately upon resolution of contractual arrangements.

Austal will provide a further update once negotiations are complete and if the conditions precedent are fulfilled.

-Ends-

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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