



COMPANY ANNOUNCEMENT
22 OCTOBER 2020

AUSTAL RESPONDS TO MEDIA REGARDING CAPE CLASS PATROL BOAT PROJECT

Austal Limited (ASX:ASB) notes a story in *The Age* today which refers to an investigation by the Australian Commission for Law Enforcement Integrity (ACLEI) into the conduct of Australian Border Force (ABF) employees with respect to the payment of an outstanding milestone payment/s by Australian Border Force for the *Cape Class* program in 2015.

Austal notes the investigation has been discontinued.

Austal does not typically respond to media articles or speculation, however noting the gravity of the subject matter, and the potential for adverse, misleading and incorrect inferences to be drawn against the Company as a result of it, Austal makes the following corrections and clarifications to the article:

1. The article refers to payment of a “*success fee*” for delivering patrol boats that was partially paid to Austal in December 2015, and appears to infer that payment of this “*fee*” could have been a result of corruption inside the ABF.

In fact, the payment referred to above of approximately \$31 million was made to Austal in December 2015 in **partial** satisfaction of a **contractual milestone payment obligation** owing by ABF to Austal following completion of relevant contractual milestones. Austal and ABF disagreed on the precise amount that was owed, however Austal agreed to accept this payment pending resolution of other contractual claims on a commercial basis. These claims were later resolved on terms accepted by both parties on a confidential basis.

2. The article suggests that this investigation by ACLEI has uncovered evidence that the Company has “*misled markets*”. The Company is not aware of any such evidence and denies any such allegation.

Austal was unaware of either the allegations or the investigation until it was contacted by the journalist yesterday. The Company has received no formal or informal notice so cannot provide any additional information.

Austal has a strong company culture of not just abiding by relevant laws, but also acting appropriately and ethically at all times in the conduct of its business. We have every confidence that all Company representatives acted appropriately, ethically and legally in their engagements with ABF and others at all times. Any insinuations or implications that it acted otherwise are strongly denied.

This ASX announcement has been approved and authorised for release by David Singleton, Austal Limited's Chief Executive Officer.

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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 has grown to become the world's largest aluminium shipbuilder and is Australia's largest defence exporter.

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