

COMPANY ANNOUNCEMENT 24 NOVEMBER 2016

AUSTAL'S LITTORAL COMBAT SHIP 10 COMPLETES ACCEPTANCE TRIALS

Austal Limited (Austal) (ASX:ASB) is pleased to announce that Littoral Combat Ship 10 (LCS 10), the future *USS Gabrielle Giffords*, successfully completed U.S. Navy acceptance trials on November 18, 2016.

The trials, the last significant milestone before delivery, were undertaken in the Gulf of Mexico and involved comprehensive testing of the vessel's major systems and equipment by the U.S. Navy.

"The LCS program continues to mature rapidly," David Singleton, CEO of Austal, said. "The U.S. Navy's acceptance of this LCS is yet another significant milestone achievement for Austal. This program's continued success helps to prepare the Navy for a smooth transition to a future frigate."

The next major milestone for this ship will be delivery, after which Austal will deliver a further eight Littoral Combat Ships from its shipyard in Mobile, Alabama, under a U.S. Navy contract for 11 ships worth over US\$3.5 billion. Of those, *Omaha* (LCS 12) and *Manchester* (LCS 14) are preparing for trials. *Tulsa* (LCS 16) will be christened and launched in early 2017. Final assembly is well underway on *Charleston* (LCS 18) and modules for *Cincinnati* (LCS 20) and *Kansas City* (LCS 22) are under construction in Austal's module manufacturing facility.

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About Austal

Austal is a global defence prime contractor and a designer and manufacturer of defence and commercial ships. For more than 27 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 255 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 Expeditionary Fast Transport (EPF) ships for the U.S. 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 Border Force. 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, and the Middle East together with partner shipyards worldwide.

Further Information:

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