



14 May 2015

Dale Allen
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Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth, WA, 6000

by email: dale.allen@asx.com.au

copy to: tradinghaltsperth@asx.com.au

Dear Dale,

RE: PRICE QUERY

We refer to your letter of 14 May 2015 regarding the change in price of the securities of Austal Ltd (ASX: ASB) (**Austal/the Company**). The Company responds as follows:

- 1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?*

The Company is not aware of any information concerning it that has not been announced and which, if known, could explain the recent trading patterns in its securities.

- 2. If the answer to question 1 is "yes":*

- a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?*

Not applicable.

- b) Can an announcement be made immediately?*

Not applicable.

- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?*

Not applicable.

- 3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?*

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The Company's Chief Financial Officer presented to analysts at the *Macquarie Securities Australia Conference* on 7 May 2015. A copy of this investor presentation was lodged with the ASX prior to the conference.

The change in share price has occurred since the lodgement of the investor presentation. The presentation confirmed that Austal was experiencing schedule pressure on the construction of its vessel, LCS 6, in the United States, which would have some flow-on to LCS 8 and therefore impact the US shipbuilding margin. This schedule pressure had previously been stated in the Company's first half FY2015 results presentation earlier this year.

The most recent investor presentation also upgraded Austal's revenue guidance from \$1.2 billion to \$1.35 billion due to a consistently lower Australian dollar in the second half of FY2015. The increase in revenue is expected to offset most of the LCS schedule pressure impact on the Company's FY2015 earnings.

The Company is not otherwise aware of any other explanation for the movement in price of its securities.

Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company confirms it is compliant with its obligations under the listing rules, including listing rule 3.1.

Yours sincerely,



**ADRIAN STRANG
COMPANY SECRETARY
AUSTAL LTD.**



14 May 2015

Mr Adrian Strang
Company Secretary
Austal Limited
100 Clarence Beach Road
Henderson WA 6009

By Email: adrian.strang@austal.com

Dear Mr Strang,

Austal Limited (the "Company") - ASX price and volume query

We have noted a change in the price of the Company's securities from a closing price of \$1.99 on Thursday, 7 May 2015, to an intra-day low of \$1.685 at the time of writing today, 14 May 2015.

In light of the price change, ASX asks you to respond separately to each of the following questions:

1. Is the Company aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is the Company relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Company's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Company may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Company may have for the recent trading in its securities?
4. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 pm WST today, 14 May 2015**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at dale.allen@asx.com.au and tradinghaltsperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Company to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Dale Allen
Senior Adviser, Listings Compliance (Perth)