



COMPANY ANNOUNCEMENT/NEWS RELEASE
4 June 2004

**CONSTRUCTION OF VEHICLE FERRY
TO COMMENCE AT AUSTAL USA**

Austal Limited announces that aluminium fabrication will commence at its Austal USA shipyard on the first of two 105 metre vehicle-passenger ferries for which a contract, subject only to finance, has been signed with US company Hawaii Superferry (HSF).

HSF's first phase of equity has been successfully raised and the company is currently applying to the United States Government's Maritime Administration (MARAD) for Title XI finance. Austal is confident that this MARAD funding should be forthcoming.

The decision to commence construction follows the announcement last week that the Austal and General Dynamics team has been awarded a final design contract for the US Navy's planned Littoral Combat Ship (LCS).

Austal considers the HSF contract as an outstanding opportunity to further develop resources at Austal USA in preparation for the anticipated commencement of LCS construction in October 2005.

As announced on January 12, HSF plans to use Austal catamaran technology to establish Hawaii's first high speed vehicle ferry service.

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