



By Facsimile: 92212020

13 November 2008

Australian Securities Exchange
2 The Esplanade
Perth

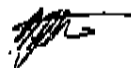
Attention
Kerrie Papamihal
Assistant Manager, Issuers (Perth)

Dear Sirs
Price Query

With reference to your letter of 13 November 2008 the answers to the questions raised are as follows;

- 1 The Company is not aware of any information concerning it that has not been announced which if known could be an explanation for recent trading in the securities of the Company.
- 2 Not applicable
- 3 Other than the content of the announcement made today we do not have any explanation for the price change in the securities of the company.
- 4 The form of US Navy contract bids is that the bid is converted into a contract upon acceptance by the Navy. There is no process of negotiation. The United States Navy has a standard practice of advising successful contractors of an award at the same time as the announcement is made through its official US Navy website. We have been monitoring the website and there has been no announcement nor have we been contacted by the US Navy to advise us of the JHSV contract award.
- 5 We have received no formal notification of a JHSV contract award. We have received informal advice through the Alabama Senator's office confirming their press release information.
- 6 In our opinion we have fully complied with the listing rules.

Yours sincerely


M.J. Atkinson
Company Secretary

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BY FACSIMILE: 9410 2564

13 November 2008

Mr Michael Atkinson
 Company Secretary
 Austal Limited
 100 Clarence Beach Road
 HENDERSON WA 6166

Dear Mr Atkinson

PRICE QUERY

We refer to the following;

1. The announcement lodged by Austal Limited (the "Company") today advising that:
 - 1.1 an Alabama Senator has put out a press release announcing that Austal USA has been successful in winning the JHSV program (also known as the "Joint High Speed Vessel contract" ("JHSV Contract")); and
 - 1.2 the Company is not in a position to make any comment on this until it receives formal notification on an award from US Navy; and
2. The change in the price of the Company's securities from a closing price of \$1.56 on 12 November 2008 to an intra day high of \$1.90 today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?
4. What enquiries has the Company made to determine whether or not it has been successful in winning the JHSV Contract in light of the Alabama Senator's press release?
5. Has the Company received formal or informal notification of the award of the JHSV Contract?

Australian Securities Exchange

Australian Stock Exchange
 Sydney Futures Exchange

Australian Clearing House
 SFE Clearing Corporation

ASX Settlement and Transfer Corporation
 Austraclear

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

Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **7:00 am WST on Friday 14 November 2008**.

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- 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.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kerrie Papamihau', written in a cursive style.

Kerrie Papamihau
Assistant Manager, Issuers (Perth)