



**COMPANY ANNOUNCEMENT
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**US MILITARY SIGNS NEW CHARTER FOR AUSTAL HIGH SPEED
VESSEL**

The Austal designed, built and supported high speed vessel "WestPac Express" has been re-chartered for use by the United States Marine Corps, continuing a success story that began over 10 years ago.

Commencing as a direct continuation of the ship's current charter, the new contract with the United States Navy's Military Sealift Command (MSC) will start in February 2012 and last between six and 24 months. The contract is valued at approximately US\$30.3 million if all options are exercised.

The charter will see the 101 metre, US-flagged catamaran continuing to transport troops and equipment from the Marine Corps' Third Marine Expeditionary Force (III MEF). It is base ported in Okinawa, Japan where the III MEF is based, and operates throughout the Western Pacific.

Austal Chief Executive Officer, Andrew Bellamy, said the charter reflected the ability of Austal to provide highly successful long-term, integrated ship and support solutions to military requirements.

"The ship has been meeting the Marine Corps' logistics requirements for over a decade, and doing so with virtually 100 per cent reliability, reflecting the quality of both the ship and the in service support we have supplied over the same period," he said.

"The ship's success was a significant factor in us becoming prime contractor for the US Navy's Joint High Speed Vessel and Littoral Combat Ship programs, and indeed demonstrates the value these new classes of ship will bring to the US Navy.

"The fact that we have helped "WestPac Express" to maintain exemplary performance since delivery demonstrates our ability to provide effective support services to the JHSV and LCS fleets in the future, which is part of our strategy to develop the support part of our business."

Austal recently launched the first of seven JHSVs it has been contracted to build, and is preparing to launch the second of four contracted LCSs, the first of which was delivered in December 2009. Contract options for a further three JHSVs and eight LCS are still to be exercised by the US Navy.

Originally described as a Theatre Support Vessel (TSV), “WestPac Express” was first chartered to the III MEF in July 2001 for a “proof of concept” period. This was the first time the US military had contracted a commercial vessel of this type for military support. This charter was so successful that, after competitive tenders, the MSC signed a three year charter in January 2002 which was subsequently extended to February 2007. In 2005, MSC again sought competitive tenders for a new charter of up to 55 months and, after strong international competition from other high speed vessel designs, “WestPac Express” once more proved to offer the best value, commercially and technically. That charter was subsequently extended to February 2012. The new charter was awarded after a similar competitive tendering process.

Included in the ship’s many achievements over the years was its support of humanitarian relief operations following the Japanese earthquake and tsunami earlier this year. As part of Operation Tomodachi, “WestPac Express” delivered a Forward Arming and Refueling Point for use in the assistance operations. This enabled aircraft to conduct continuous operations without having to return to an established airport to obtain fuel, meaning helicopters could fly rescue and transport missions almost non-stop. The high speed catamaran also transported other supplies, communications equipment and personnel used in the relief operations.

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About Austal

Austal is a global defence prime contractor. The Company designs, constructs and maintains revolutionary platforms such as the Littoral Combat Ship (LCS) and the Joint High Speed Vessel (JHSV) for the United States Navy, as well as an extensive range of patrol and auxiliary vessels for defence forces and government agencies globally. Austal also designs, installs, integrates and maintains sophisticated communications, radar and command and control systems.

Austal benefits from its position as a world leader in the design, construction and support of customised, high performance aluminium vessels for the commercial high speed ferry market, an achievement gained over a period of nearly 25 years.

Austal’s primary facilities comprise a combined defence and commercial shipyard in Henderson, Western Australia; a dedicated defence shipyard in Mobile, Alabama; and a dedicated commercial shipyard in Balamban, Philippines. The Company also provides vessel support services from its facilities in Australia, the United States, Asia, Europe, the Caribbean, and the Middle East.

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