



COMPANY ANNOUNCEMENT 14 November 2008

AUSTAL AWARDED JOINT HIGH SPEED VESSEL (JHSV) CONTRACT

Austral is pleased to announce the award of a Detailed Design and Construction Contract for the US Navy and Army's Joint High Speed Vessel (JHSV) program.

As Prime contractor, Austral will design and construct the first 103-metre joint-use high speed support vessel, valued at US\$185,433,564 with options for 9 additional vessels expected to be exercised between FY09 and FY13.

Similar to the Austral-built "WestPac Express" operated by the US Marines for the past seven years, the JHSV will be capable of transporting troops and their equipment, supporting humanitarian relief efforts, operating in shallow waters and reaching speeds in excess of 35 knots fully loaded. The vessels will be a joint-use platform between the United States Army and Navy.

Austral Managing Director Bob Browning commented, "Austral is very proud to have been selected to build an important part of the US Navy's fleet. This 10 vessel program is an important step in Austral's strategy to create longer-term, more predictable earnings for our investors."

"As the only team in the US with the experienced workforce, purpose built facilities, and proven aluminium vessel construction processes, Austral will deliver a low risk JHSV platform to the US Army and Navy."

The vessels will be built at Austral's US shipyard located in Mobile, Alabama, where work is continuing on the first phase of a new state-of-the-art Modular Manufacturing Facility (MMF). Upon completion in mid-2009, the first half of the 70,000 m² MMF will be available for the fabrication of all the JHSV modules.

Construction is also continuing on the US Navy's 127 metre trimaran Littoral Combat Ship, LCS 2 "Independence", which was recently christened at Austral USA and is scheduled to commence sea trials early next year. Mr Browning said the US Navy's ongoing commitment to a 55-vessel LCS program as

part of its 313 ship fleet meant there was strong chance Austal would be awarded a second LCS in early 2009.

ENDS

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