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COMPANY ANNOUNCEMENT
29 MARCH 2021

AUSTAL USA BREAKS GROUND ON NEW STEEL SHIPBUILDING FACILITY

Austal Limited (**Austal**) (ASX:ASB) is pleased to announce that construction has officially commenced on Austal USA's new steel shipbuilding facility, in Mobile, Alabama.

Austal USA hosted a ceremony at the company's shipyard on Friday 26th March 2021, to mark the start of construction of a new steel shipbuilding facility that will provide the capability to meet increasing demand by the U.S. Navy and U.S. Coast Guard for steel vessels.

The ceremony's attendees included Congressman for Alabama's First District Jerry Carl, Mobile Mayor Sandy Stimpson, Mobile County Commissioner Merceria Ludgood, Alabama Governor Kay Ivey's Chief of Staff Jo Bonner, and Austal USA Interim President, Rusty Murdaugh.

Construction on the facility is expected to be complete by April 2022.

Austal Chief Executive Officer Paddy Gregg said the ground-breaking was a significant milestone in Austal USA's history and a strategic development in the shipyards capability.

"Austal USA's new steel shipbuilding facility puts us in a prime position to target numerous major steel shipbuilding programs included in the U.S. Navy's shipbuilding plan."

"Today's ground-breaking marks the start of construction of facilities that will enable Austal USA to build the next generation of the U.S. Navy and U.S. Coast Guards' ships," he added.

Speaking at the ceremony, Interim Austal USA President Rusty Murdaugh said "As demand for the greater and larger Navy and Coast Guard fleets grows, Austal USA is investing to meet those changing requirements. We're investing in our people, we're investing in our processes and we're investing in our facilities and capabilities."

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Congressman for Alabama's First District, Jerry Carl said "This world-class steel manufacturing line is a treasure for the Gulf Coast, the U.S. Navy and the U.S. Coast Guard, that will provide a much needed boost to the defense industrial base and our Nation's defense."

In June 2020 Austal announced the intention to spend approximately US$100million on building a steel shipbuilding capability co-funded by the United States Government, to provide additional capability alongside Austal's existing aluminium construction operations at Mobile, Alabama.

Austal USA will bring its proven lean manufacturing processes and facility design to the steel shipbuilding market, having delivered 24 ships to the U.S. Navy in the last nine years, including the *Independence*-class Littoral Combat Ship (LCS) and *Spearhead*-class Expeditionary Fast Transport (T-EPF).

This ASX announcement has been approved and authorised for release by Paddy Gregg, Austal Limited's Chief Executive Officer.



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Congressman for Alabama's First District, Jerry Carl, speaking at the Austal USA steel shipbuilding facility ground-breaking ceremony in Mobile, Alabama (Image: Austal USA)



Austal USA's steel shipbuilding facilities have commenced construction, with the ground-breaking of the steel vessel production line at the company's Mobile, Alabama shipyard (Image: Austal USA)

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About Austal

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

For more than 30 years Austal has contracted more than 300 vessels for over 100 commercial and defence operators in 54 countries, worldwide.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. Austal has industry-leading shipyards in Australia, the United States of America, Philippines and Vietnam with service centres worldwide, including the Middle East.

Austal delivers iconic monohull, catamaran and trimaran commercial vessel platforms – including the world's largest trimaran ferry and multiple defence programs such as the Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) for the United States Navy.

Austal is the only foreign-owned prime contractor designing, constructing and sustaining ships for the US Navy.

Austal has grown to become the world's largest aluminium shipbuilder and is Australia's largest defence exporter.

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