



COMPANY ANNOUNCEMENT
6 OCTOBER 2021

AUSTAL USA AWARDED US\$144 MILLION CONTRACT FOR MULTIPLE TOWING, SALVAGE AND RESCUE (T-ATS) SHIPS FOR US NAVY

Austal Limited (ASX:ASB) is pleased to announce Austal USA has been awarded its first steel vessel construction contract by the United States Navy, a US\$145 million (~A\$198.5 million) build of two Towing, Salvage, and Rescue ships (T-ATS 11 and 12).

The contract modification establishes options for up to three additional T-ATS ships, which, if exercised, will bring the total cumulative value of the contract to US\$385 million (~A\$528.6 million).

Austal was initially awarded a US\$3.6 million contract by the United States Navy for the functional design of the Navajo-class T-ATS vessels. Overnight awarded the US\$145 million (~ A\$198.5 million) fixed-price incentive (firm target) contract modification, to include the detailed design and construction of two T-ATS 11 and 12, as well as the option for the additional ships.

The T-ATS contract is the first steel ship construction program awarded by the United States Navy to Austal USA and will be the first program to be delivered in the new steel shipbuilding facilities nearing completion at the shipyard in Mobile, Alabama.

Austal Limited Chief Executive Officer Paddy Gregg said the contract was an exciting milestone in the history of the company and a great demonstration of the company's new steel shipbuilding capabilities in the United States, following on from the successful addition of steel shipbuilding in Australia.

"This is great news for Austal USA as they enter a new era of steel shipbuilding in the United States, supporting the Navy's requirements for steel ships," Mr Gregg said.

The *Navajo*-class T-ATS has ocean-going tug, salvage, and rescue capabilities, with a multi-mission common hull platform, capable of towing heavy ships. These ships will be able to support USN fleet operations and a variety of missions, including oil spill response, humanitarian assistance, and wide area search and surveillance.

Austal USA will utilise its proven ship manufacturing processes and innovative methods that incorporate lean manufacturing principles, modular construction and moving assembly lines; using the company's new state-of-the-art enclosed steel production facility which is set to open in April 2022. Austal USA broke ground on its USD\$100 million steel manufacturing facility in March 2020.

The T-ATS award is one of several steel shipbuilding programs Austal USA is pursuing as it diversifies its capabilities. The shipyard previously announced it had submitted a bid to build the United States Coast Guard's Offshore Patrol Cutter and continues to execute a Light Amphibious Warship (LAW) concept studies and preliminary design contract for the United States Navy and United States Marine Corps. Austal's new steel line and facility expansion also positions it well to be a follow-on Frigate yard for the U.S. Navy.

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



The United States Navy's Towing, Salvage and Rescue Ship (T-ATS) to be constructed by 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 340 vessels for over 121 commercial and defence operators in 59 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.

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