



COMPANY ANNOUNCEMENT
13 APRIL 2022

AUSTAL USA OPENS US\$100 MILLION STEEL SHIPBUILDING FACILITY IN MOBILE, ALABAMA

Austal Limited (ASX:ASB) is pleased to announce that Austal USA has officially opened the company's new state-of-the-art steel shipbuilding facility in Mobile, Alabama, enabling the simultaneous production of both aluminium and steel hulled ships.

The ceremony celebrating the opening of the 11,000 square metre manufacturing facility was supported by Alabama Governor Kay Ivey, United States Congressman Jerry Carl, Representative for Alabama's First Congressional District in the U.S. House of Representatives, and nearly two hundred guests, including representatives from the United States Navy; United States Coast Guard; Federal, State and Local Governments; and the Embassy of Australia.

The first vessels to be built in the new steel facility will be two *Navajo*-class Towing, Salvage, and Rescue Ships (T-ATS) for the United States Navy, which were placed under a US\$144 million contract in October 2021.

Austal Limited Chief Executive Officer Paddy Gregg said the opening of the new steel facility marked a significant development in Austal USA's shipbuilding capabilities, allowing multiple steel vessel projects to be undertaken, in addition to aluminium vessels.

"Austal USA is now ready to start constructing steel ships for the U.S. Navy, including the *Navajo*-class Towing, Salvage, and Rescue Ships (T-ATS) ships; and can offer this expanded shipbuilding capability to new customers such as the United States Coast Guard," Mr Gregg said.

"Our warmest congratulations go to Rusty Murdaugh and the entire Austal USA team after establishing this impressive new facility so quickly and efficiently."

Austal USA President Rusty Murdaugh said "We are so excited to see our plans to add steel to our capabilities come to fruition. The addition of steel capability is a game changer as it opens up our capability to support the U.S. Navy, U.S. Coast Guard and other customers with high-quality ships.

“We appreciate the confidence the Department of Defense and the Department of the Navy have shown in us with the award of the DPA grant, to help get this project started and look forward to repaying that confidence with our future performance delivering high-quality steel ships.”

“Austal USA will operate our steel production line using the same lean manufacturing principles that we’ve refined over the last 15 years building LCS and EPFs for the Navy. That process has resulted in Austal’s reputation for delivering quality ships, on time and on budget, ship after ship. We will bring that same reliable production capability to steel ship construction,” Mr Murdaugh added.

Financing for the new steel shipbuilding facility was provided in part by a Defense Production Act (DPA) Title III Agreement between the United States Department of Defense, and Austal USA. The agreement, valued at US\$50 million, was announced in June 2020. Austal USA matched these funds and invested an additional US\$50 million into the completion of the steel facility.

The new steel manufacturing facility includes the latest in computerised and robotic steel processing equipment to handle all the current and future demands of the U.S. Navy and the U.S. Coast Guard. A 6,000 square metre stock yard will be utilised for handling the raw steel and a 2,000 square metre paint facility will provide the ability to paint and blast simultaneously in two separate cells, or both cells can be combined providing the ability to paint super-modules.

The addition of steel shipbuilding capability complements the company’s well-established aluminium shipbuilding expertise, which includes the delivery of 15 *Independence*-class Littoral Combat Ships (LCS) and 12 *Spearhead*-class Expeditionary Fast Transports (T-EPF) to the United States Navy. The company has a further seven ships currently under construction at the shipyard in Mobile, Alabama.

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



Austal USA has officially opened new a steel shipbuilding facility at the company's shipyard in Mobile, Alabama. (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 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.

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

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