

**Attention ASX Company Announcements Platform
Lodgement of Open Briefing®**



Austal Limited
100 Clarence Beach Road
Henderson, Western Australia 6166

Date of lodgement: 08-Nov-2005

Title: Open Briefing®. Austal Ltd. Growth Outlook

Record of interview:

corporatefile.com.au

The funding for Hawaii Superferry has now become unconditional. When will the cash start to flow and is the company likely to require more than two vessels in the future?

Chairman John Rothwell

We have already received A\$70 million as catch up payments for the first vessel and future progress payments will flow when they become due. HSF has frequently said that two vessels will not be sufficient to provide adequate service between the islands, however we believe more vessel orders are some years off.

corporatefile.com.au

You have been awarded a mandate for the construction of two Littoral Combat Ships (LCS) for the United States Navy. In terms of work completed, how much of the initial LCS vessel will be completed at the end of fiscal 2006 and what is the delivery date of this vessel?

Chairman John Rothwell

The vessel will be 30% complete at 30 June 2006 and it is due for delivery in October 2007.

corporatefile.com.au

When do you expect the wider Flight 1 LCS acquisition program to be awarded?

Chairman John Rothwell

We are surmising that the Flight 1 acquisition program may be announced not later than the submission of the Defense Budget by the President to the US Congress in February 2006. The current program suggests Flight 1 contracts will be awarded in October 2007 which would not allow time for performance evaluation of the first Flight 0 vessels. As a result the Navy has said they would expand Flight 0 to allow for evaluation of those initial ships.

corporatefile.com.au

The shipyard in Mobile suffered only minor damage as a result of Hurricane Katrina. What provisions have you taken to counter any future adverse weather conditions at your Alabama facility?

Chairman John Rothwell

The shipyard and office buildings are designed for the local conditions and can withstand most hurricane force winds. All of the buildings are designed to flood with the storm surge. The new facility is 10.5 feet above sea-level and the water level in Mobile has never risen above 10.5 feet.

In the event of an approaching hurricane, equipment is either loaded onto the vessel being built or is removed from site. We have check lists to be completed by each department at certain times prior to hurricane arrival. On average, we lose 2-3 days of production for each hurricane.

corporatefile.com.au

You have previously stated that you needed 360 employees at Austal USA by December 2005? What is the target for December 2006 and what confidence do you have this is achievable?

Chairman John Rothwell

The target for December 2006 is 500 people and we are very confident we can meet this.

corporatefile.com.au

When do you expect that Flight 0 LCS could be increased from 2 ships per team?

Chairman John Rothwell

If Flight 0 was to be increased from four ships at present, and we believe the signs are positive, it is likely to occur during the congressional authorisation and appropriation process which concludes in September 2006.

corporatefile.com.au

Can you please explain how the Award Fee and Incentive Fee work?

Chairman John Rothwell

It is a complicated formula. The Award fee is based on an assessment by the Navy of completion of key milestones. The Incentive fee is based on our ability to meet the target ship construction cost. For every dollar we spend over the target cost,

Austal pays 50 cents until the Incentive fee is exhausted. We anticipate a total net average margin of around 10%.

corporatefile.com.au

Does the award of the Littoral Combat Ship contract have any implications for Austal's expressed desire to acquire the Australian Submarine Corporation (ASC) when it is privatised by the Australian Government?

Chairman John Rothwell

What the LCS contract does do is to establish Austal's credentials as a credible military supplier for the most powerful Navy in the world.

corporatefile.com.au

What are the attractions of ASC to Austal and what skills and know-how can Austal bring to the ASC?

Chairman John Rothwell

The privatisation of ASC is in its very early stages. The Government will appoint a consultant to carry out a Scoping Study which is anticipated to be complete in the middle of next year after which time the Government will determine how to proceed.

The attraction of ASC to Austal is that it will provide a greater stability of revenue and earnings to the company. Austal is currently discussing a team equity proposal to ensure the ASC business needs are met. If successful in the acquisition, we would have a team that has a long-term business vision and is focused on retaining the skill base at ASC ensuring the maximum operability of the submarines. At least one of the equity partners will have substantial experience in the construction of warships of similar complexity to the AWDs.

corporatefile.com.au

How would you fund such an acquisition?

Chairman John Rothwell

It is difficult to ascertain the value of ASC at this point in time without a Due Diligence process. Austal believes that, with at least one additional equity partner, it will be able to fund its portion of the acquisition from our own resources.

corporatefile.com.au

What do you think the Australian Government will be looking for in terms of a buyer for what is surely a very strategic asset?

Chairman John Rothwell

I cannot speak for the Government in relation to what it will be looking for in an Owner of ASC, however we believe the Government is likely to be concerned about security issues and to ensure that the ownership remains in Australia and the Owners are approved by Government and Defence.

corporatefile.com.au

Would the acquisition of ASC have any impact on Austal's capacity to deliver on its existing workbook?

Chairman John Rothwell

The potential future acquisition of ASC would not impact on Austal's capacity to deliver on current vessels. It would be in our interest to largely retain the knowledgeable workforce currently at ASC. In relation to the Airwarfare Destroyers there is an expectation that much of the module ship construction work will be sub-contracted out around Australia.

corporatefile.com.au

What capacity do you have to take further orders in Australia over the next 6-12 months?

Chairman John Rothwell

Austal has very little opportunity to take further orders for short term delivery, however we have some capacity in our order book for 2007 deliveries.

corporatefile.com.au

If the likely LCS program will fully utilize the operations in Alabama, what plans does Austal have in place to participate in the potential Theatre Support vessel program mooted for commencement in 2008?

Chairman John Rothwell

The Army TSV program has been merged with the Navy/Marines' HSV programs to form the Joint High Speed Vessel (JHSV) program and will be led by the Navy.

Development funds are being budgeted for 2006 with commencement of construction to begin in early 2008 of between twelve and twenty 115 metre vessels. We will grow our capacity and be bidding for these vessels.

corporatefile.com.au

What parts of the business will you be focusing on in terms of future growth?

Chairman John Rothwell

Our main focus on growth will be in the US where we see that we may well be operating from several bases. Austal's growth in Western Australia will become more and more focused on military vessels, although commercial vessels will continue to be extremely important.

corporatefile.com.au

On 29 June 2005, you announced to the ASX an update on the Stena Rederi patent decision by the Federal Court of Australia. Are you in a position to provide a further update?

Chairman John Rothwell

We are still of the opinion quoted 29 June 2005 that the decision in the Federal Court of Australia to grant a patent to Stena had the effect of being much narrower and challenges by Stena in this regard will be very defensible by our company.

corporatefile.com.au

Where are the threats and opportunities to your growth strategy over the next 2-3 years?

Chairman John Rothwell

In relation to the threats we continue to have concerns about the lack of skilled labour in Australia. We have recently commenced bringing people from overseas who come to Australia on long-term work visas and we have a rigorous recruiting campaign for both apprentices and people suitable for adult training.

In relation to our growth strategy, I reiterate that our priority is on the growth of our US business, an increased effort in military-type vessels in our Australian operations and our continuing search for opportunities for other Defence related business in Australia.

corporatefile.com.au

Thank you John.

For more information about Austal Limited, view www.austal.com or call John Rothwell or Michael Sier on (08) 9410 1111.

To read previous Austal Limited Open Briefings, or to receive future Open Briefings by email, please visit www.corporatefile.com.au.

DISCLAIMER: Corporate File Pty Ltd has taken reasonable care in publishing the information contained in this Open Briefing®. It is information given in a summary form and does not purport to be complete. The information contained is not intended to be used as the basis for making any investment decision and you are solely responsible for any use you choose to make of the information. We strongly advise that you seek independent professional advice before making any investment decisions. Corporate File Pty Ltd is not responsible for any consequences of the use you make of the information, including any loss or damage you or a third party might suffer as a result of that use.