

AUSTAL DEFENCE NEWS



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US NAVY AWARDS AUSTAL MULTI-VESSEL LCS CONTRACT

On December 30, 2010, the USA division of Australian-headquartered Austal was awarded a US Navy contract to construct a third Independence Class Littoral Combat Ship (LCS). The contract value is US\$432.1 million. The contract includes options for nine additional ships in the following five years.

Austal has commenced preparation work, which will include a US\$140 million facility expansion and workforce development, which will take approximately 12 months to complete. Construction of the third LCS will commence in early 2012 and is scheduled for delivery in 2015.

The aluminium warships will be built at Austal's US shipyard in Mobile, Alabama, and will more than double Austal's US workforce to around 3,800 employees.

The LCS program began in 2002 with the US Navy's pursuit of a new class of up to 55 ships for multi-mission support. The LCS is envisioned to be a versatile, networked, agile, surface combatant capable of defeating anti-access and asymmetric threats in the littorals.

In October 2005, Austal, as a part of the General Dynamics

LCS team, was one of two bidders awarded a landmark construction contract for one of two LCS, "USS Independence" (LCS 2), followed by a contract to build a second Independence-class LCS, "USS Coronado" (LCS 4), in May 2009.

"USS Independence" (LCS 2) is now part of the US Navy fleet (see page 6).

Austal is now the Prime Contractor for this expanded 10-ship, Independence Class LCS program, while General Dynamics Bath Iron Works remains the prime contractor on USS Coronado (LCS 4).

Austal Limited's Chairman, John Rothwell, said this contract is a very significant milestone for the company, and he is proud that Austal has been selected to produce this important class of vessels for the US Navy.

"This contract has firmly established Austal as an international defence prime contractor, is a strong vote of confidence in Austal's aluminium trimaran LCS design, and also reflects the strength and capability of our USA operations and highly-skilled workforce." he said.

The Austal LCS team delivers the most technologically advanced aluminium hull design ever conceived. With a service life of 30 years, this high speed combat vessel integrates military computing environments for weapons, sensors and communications.

Austal has proven that it has the necessary infrastructure, processes, and skilled workforce in place to design, construct, deliver and service 100-metre plus high-speed ships in both Australia and the United States to provide modern solutions to global naval customers.



FAST PATROL FLEET APPROACHES FIRST ANNIVERSARY

The Armed Forces of Malta (AFM) is fast approaching the one year anniversary of commissioning its four 21.2 metre Austal designed and built inshore patrol craft.

With a maximum speed of more than 28.5 knots, the aluminium vessels provide surveillance and border protection throughout Malta's coastal waters.

Austal personnel were contracted to provide in-country support for the vessels for the first 12 months of operation. The contract included the supply of scheduled maintenance spares, procurement support and main equipment spares.

AFM Lieutenant Colonel Martin Sammut commended Austal for its commitment to client satisfaction.

"Austal's professionalism has made it possible for all four vessels to be completed on time. Furthermore, their continued assistance is testimony of their intent to seal this successful partnership".

Austal was awarded the contract in February 2009 following a competitive international tender process, which called for a proven design that addressed specific AFM requirements. The project was co-financed by the European Union's External Borders Fund.

Above: The 21m inshore patrol vessels in operation in Malta.

In-country support from Austal helps ensure high levels of reliability and performance.

PRINCIPAL PARTICULARS: 21 INSHORE PATROL

Length overall	21.2 metres
Length waterline	17.8 metres
Beam (moulded).....	5.5 metres
Hull depth (moulded).....	2.8 metres
Hull draft	1.8 metres
Crew	8
Speed.....	28.5 knots
Endurance	48 hours with a 10% fuel reserve
Engines	2 x MAN D2842 LE410 2 x 809 kW @ 2100 rpm
Propulsion.....	2 x fixed pitch propellers
Weapons and Sensors:	
.....	12.7 mm heavy machine gun mounts
.....	2 x 7.62 mm light machine gun mounts
Classification	Det Norske Veritas (DNV), ✠1A1 LC R2 Patrol





JHSV CONSTRUCTION UNDERWAY

Construction is underway on five of the US Department of Defence's next generation multi-use platforms, the 103 metre Joint High Speed Vessel (JHSV), at Austal's US facility.

In January 2010, the US Navy exercised contract options funding the construction of two additional Austal JHSVs, followed by a contract to acquire long lead-time material, to include diesel engines, waterjets and reduction gears, for the construction of the fourth and fifth JHSVs.

The catamarans will support US Army and Navy logistics, sustainment and humanitarian relief tasks including helicopter operations, and will be capable of speeds up to 43 knots.

Austal was selected as prime contractor for the JHSV program in November 2008, which included construction of the first JHSV, due to be delivered in late 2011, and options for nine additional vessels to be exercised between FY09 and FY13. Construction of the second and third vessels commenced in September 2010.

The keel laying ceremony for "Spearhead" (JHSV 1) took place at Austal USA's Mobile shipyard in July 2010. Delivery of "Spearhead" is planned for December 2011. It will be operated by the US Army.

"Considerable investments in the Austal shipyard coupled with the implementation of proven commercial technology gives me high

levels of confidence in the shipyard's ability to execute the program," said US Navy Program Manager, George Sutton.

Construction of Austal's third JHSV will commence in mid-2011.



PRINCIPAL PARTICULARS: JOINT HIGH SPEED VESSEL (JHSV)

Length	103.0 metres	Speed:	
Beam	28.5 metres	Average.....	35.0 knots @ 90% MCR with 635 mt payload
Draft	3.83 metres	Maximum	45 knots without payload
Mission bay area (with Tie-Downs)	1,863 m ²	Aviation facilities	NAVAIR Level 1 Class 2
Crew	41		Certified Flight Deck for one helicopter
Troop seats	312		Centreline parking area for one helicopter
Main Engines	4 x MTU 20V 8000 M71L		NAVAIR Level 1 Class 4 Type 2 Certified VERTREP
Waterjets	4 x Wartsila WLD 1400 SR		Helicopter Control Station

AUSTAL ACQUIRES SYSTEMS INTEGRATOR, ATI

In late 2010, Austal announced that an agreement had been reached to acquire Canberra based company, Australian Technology Information Pty Ltd (ATI).

ATI is an Australian company that provides specialised services to the Australian Defence Forces including systems engineering and integration, information technology, verification and validation systems and deployable tactical command centres.

Commenting upon the acquisition, Austal Chief

Operating Officer Andrew Bellamy said, **"ATI has developed a very successful business in providing state-of-the-art systems engineering and associated technologies to the Australian Defence Forces.**

"These technologies are an ideal complement to Austal's existing design and production capability in the defence sector and will allow Austal to expand the range of services and products that it can deliver to defence customers worldwide".



▲ ATI General Manager Brian Mansell and Austal's Chief Operating Officer, Andrew Bellamy.

YOUNG ACHIEVER RECOGNISED

Austal employee Byron Walpole has been awarded the prestigious Young Achiever of the Year Award by the Western Australian division of the Australian Industry and Defence Network (AIDN-WA).

Mr Walpole has been instrumental in developing Austal's impressive naval architecture credentials following his substantial input into the designs of US Navy Joint High Speed Vessel (JHSV) and Littoral Combat Ship (LCS).

Since joining Austal in 2002 as a Naval Architect, Mr Walpole has been involved in the design of more than 65 state-of-the-art naval and patrol vessels.

Sam Abbott, Austal's Structural Design Manager, said Byron's enthusiasm and attention to detail were exceptional.

"Without Byron's significant contribution to Austal over the last eight years, our design success to date would not have been possible," said Mr Abbott.

"Byron's career has progressed rapidly since he joined Austal, from his involvement in the design of the Armidale Class Patrol Boat to becoming lead designer of the LCS then taking outright responsibility for the design of the JHSV – which gained the company more than AUD\$2billion in revenue.

"Byron also led the design proposal team to reinvigorate and provide the best solution for the Australian Customs and

Border Protection Service Cape Class patrol boats."

Byron said he was delighted to achieve this award.

"I am very proud to be recognised for my contribution to Austal over the past eight years. As a naval architect, I am always looking for new and innovative ways to improve on previous designs, and fortunately I work for a company that shares this approach and supports my efforts to explore and pioneer solutions for new and existing challenges".

Mr Walpole has a Bachelor of Engineering (Naval Architecture) from the Australian Maritime College in Tasmania and is a Graduate Member of the Royal Institute of Naval Architects.

SUPPORT STRUCTURES IN PLACE FOR PATROL FLEET

Austal has commenced work on a five-year comprehensive maintenance and support services program for the Trinidad and Tobago Coast Guard's (TTCG) six new patrol vessels.

The extensive program, being delivered by Austal's Caribbean service hub, includes planned and preventative maintenance support, unscheduled

maintenance, management and performance of annual surveys and maintenance periods, as well as shore-based engineering support.

The contract follows the delivery of a crew training program, facilitated by Austal at its Western Australian headquarters, with further training delivered on-site in Trinidad.

Chief Operating Officer of Australian Operations, Andrew Bellamy, said the maintenance

and management contract reinforced the importance of customised vessel support packages.

“Ensuring that the right support structures are in place is as important as the vessels themselves. From pre-delivery crew training to ongoing vessel maintenance via our newly established service hub in Trinidad, Austal is pleased to be providing an all-inclusive support package to the TTCG,” Mr Bellamy said.

PATROL BOATS BOLSTER CARIBBEAN MARITIME SECURITY

The six high speed aluminium patrol craft delivered to the TTCG in January 2010 have already proven effective in bolstering maritime security in the region.

Capable of speeds greater than 40 knots and armed with general purpose machine guns and a 20mm cannon, the 30 metre vessels - designed and built by Austal - have expanded the TTCG's surveillance and enforcement capability.

The on-schedule, on-budget delivery of the fleet was achieved less than two years from the initial order, with the final vessels arriving in Trinidad and Tobago via heavy lift ship on January 18, 2010.

Director of Trinidad's Defence Transformation and Integration Secretariat, CDRE Garnet Best, said the vessels would be used to create a security blanket around the country's waters.

“These vessels have been very well designed to perform numerous roles including customs and immigration

border control, fire services and prisoner transport, protection of our marine environment as well as protection of our oil and gas resources,” CDRE Best said.

“We are confident that the speed of the vessels will contribute to their effectiveness in the interdiction of illegal drugs.”

As well as superior speed, the patrol boats benefit from the reduced structural weight, improved fuel economy and enhanced corrosion resistance that typifies Austal's aluminium platforms.

PRINCIPAL PARTICULARS: 30 METRE FAST PATROL

Length overall	30.0 metres	Engines	2 x MTU 16V 2000 M92
Length waterline	24.6 metres		2 x 1630 kW @ 2450 rpm
Beam (moulded).....	6.4 metres	Waterjets	2 x Kamewa 56A3
Hull depth (moulded).....	3.2 metres	Weapons and Sensors:	
Hull draft	1.5 metres	... 2 x 0.50 calibre general purpose machine gun mounts	
Crew	11 1 x 20mm cannon	
Speed.....	40 knots	Classification	Det Norske Veritas (DNV),
Range at 10 knots	>1000 nm		✘ 1A1 HSLC R3 Patrol EO

◀ Speed and manoeuvrability contribute to effective maritime security enforcement particularly in anti-smuggling operations.



AUSTAL STRENGTHENS GLOBAL SUPPORT OFFERING

Austal has established itself as a major provider of worldwide vessel maintenance and management, securing more than 1,000 service related jobs in 16 different countries over the past year.

Austal's service departments focus on the long-term support of both commercial and defence vessels, with contracts ranging from integrated logistics support, to the planned maintenance of high speed aluminium patrol boats, including Australia's Armidale Class Patrol Boats. Many of these contracts involve non-Austal vessels.

In 2010, Austal announced a vessel maintenance service contract for the maintenance of seven large high speed craft in Oman, including two Oman



Coast Guard rescue boats. Notably, five of these vessels were built at other shipyards.

Austal has also commenced a comprehensive maintenance and support services program for the Trinidad and Tobago Coast Guard's new patrol vessels from its recently established service hub in Trinidad (see page 7).

- ▲ Map above shows Austal's Service centres located in:
- Mobile, Alabama
 - Trinidad and Tobago
 - Strait of Gibraltar
 - Oman
 - Darwin, NT, Australia
 - Henderson, Western Australia



▲ Austal Service supports the Royal Australian Navy's Armidale Class Patrol Boats via its permanent maintenance hub in Darwin in Australia's Northern Territory.

ARMIDALE CLASS PROVE EFFECTIVE



▲ Joint patrol - HMAS Maryborough and a Royal Australian Air Force AP-3C Orion working together in a combined effort to manage illegal maritime activity. Photo courtesy of the Royal Australian Navy.

▶ HMAS Maryborough crewmembers prepare to conduct a boarding exercise with Indonesian Warship KRI Wiratno (background), during the first Australian-Indonesian Coordinated Patrol. Photo courtesy of the Royal Australian Navy.



The Australian Defence Force's (ADF) Austal designed and built ACPB's have played a successful role in the inaugural Coordinated Maritime Security Patrol by the ADF and Indonesian Armed Forces in the waters between Australia and Indonesia.

The combined operation was conducted to improve coordinated maritime security between the ADF and Indonesian Armed Forces along the Australian and Indonesian shared maritime boundaries to the south of West Timor.

Since delivery of the fourteenth and final 56-metre ACPB by Austal in 2008, the vessels have proven effective in addressing security threats along Australia's exclusive economic zone boundaries.

They have also proven their ability to operate reliably and safely over long distances having travelled further afield than any previous Royal Australian Navy patrol boat. This has included voyages to China, Sri Lanka, Singapore, India and numerous locations in the South Pacific.

As part of an Industry Alliance with the Australian Government's Defence Science and Technology Organisation (DSTO), Austal is collaborating on research aimed at improving fleet capability and

furthering the understanding of aluminium hull performance.

To fulfil these aims an innovative sensor network and data logger has been installed on one of the ACPBs. The sensors measure vessel accelerations, structural response, corrosion and environmental conditions including temperature and humidity. The data collected will further improve understanding of the long term performance and cost of ownership of high speed aluminium vessels, and also assists with management of the whole-of-life support for the ACPB fleet.

FIRST AUSTAL LCS JOINS US NAVY FLEET



The Austal-designed and built Littoral Combat Ship (LCS), "USS Independence" has officially joined the operating forces of the United States Navy.

Built at Austal's facility in Mobile, Alabama, the 127 metre vessel utilises Austal's proven low

resistance trimaran hull form, offering superior manoeuvrability and stability, speeds in excess of 40 knots and endurance to travel 4,300 miles at 18 knots. It also boasts three weapon zones, capacity for any two mission packages simultaneously and a flight deck capable of accommodating a CH-53 helicopter.

The vessel is intended to serve as a fast, agile, focused-mission platform designed for operation in near-shore environments and designed to defeat asymmetric

"anti-access" threats such as mines, quiet diesel submarines and fast surface craft.

The US Navy has previously stated its intention to acquire up to 55 LCSs.

US Navy Commander Curt Renshaw commented, "It ("USS Independence") is going to change the way we do things, particularly in the surface force. This ship allows us the flexibility to complement almost all the pillars of the Maritime Strategy".

USS CORONADO TAKES SHAPE AT AUSTAL USA



In addition to the JHSV program, (see page 5), Austal USA has under construction the second LCS, "USS Coronado" (LCS 4).

"USS Coronado" is rapidly taking shape as the ship proceeds toward launch. Recent modules erected include the jet room and the crew's galley and mess area.

Demonstrating Austal's Advanced Shipbuilding (ASB) processes, both of these modules have been erected with approximately 80% of the internal piping and machinery already outfitted prior to placement. With these two modules now in place, 20 of 28 LCS 4 modules have been erected.

"USS Coronado" is more than 50% complete, and is expected

to launch in mid-2011. Detailed metrics have been developed to track the ships various systems needed to support the launch. 24 of 28 modules have commenced outfitting. Currently, all 28 LCS 4 modules have either completed fabrication, or are nearing completion.

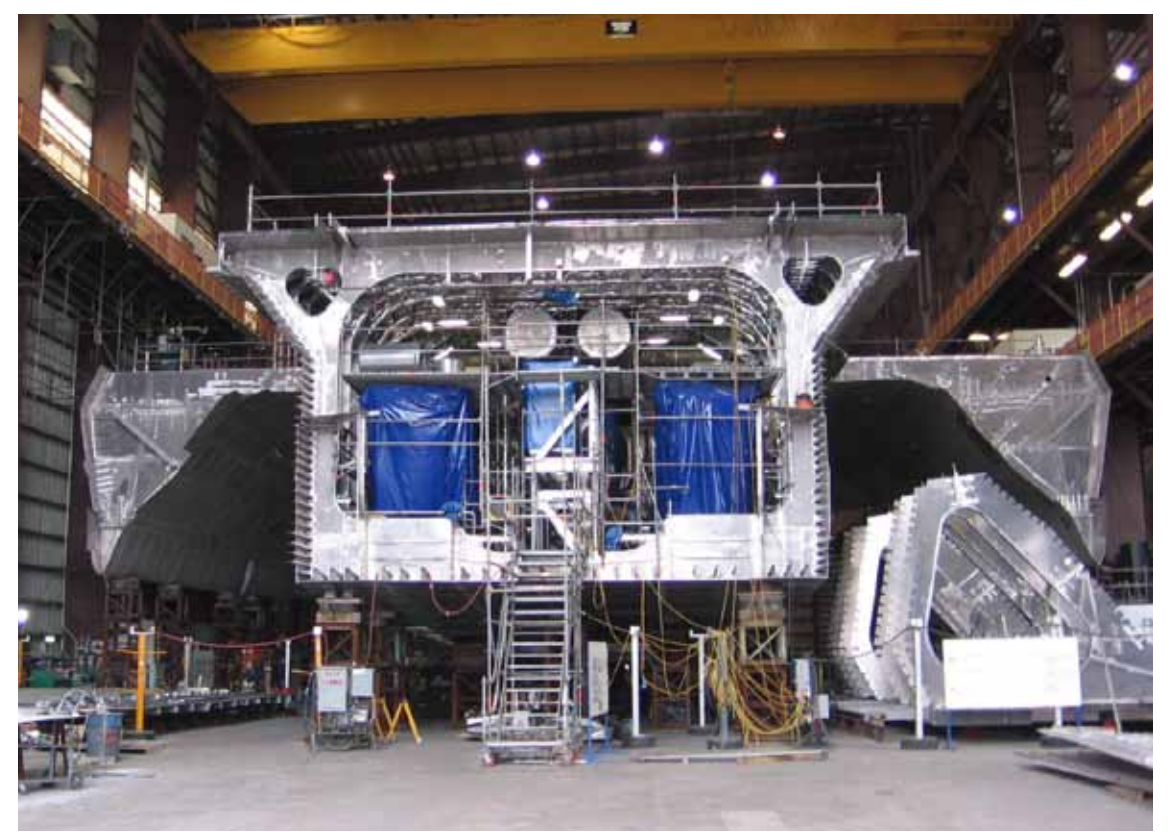
▼ "USS Coronado" under construction at Austal's Mobile, Alabama facilities.



▲ Chief of Naval Operations, ADM Gary Roughead during the Commissioning Ceremony.



▲ "USS Independence" during sea trials.



AUSTAL FLIES THE FLAG AT EURONAVAL

In October 2010, Austal showcased their innovative designs at EuroNaval – one of the world’s largest international trade shows aimed specifically towards naval defence and maritime safety and security.

Austal representatives held in-depth discussions about the Austal product range with a number of defence leaders from across the globe, including the Moroccan Chief of Navy, Admiral Laghmari; and Ghana’s Chief of Naval Staff, RADM Matthew Quashie.

A model of the Littoral Combat Ship (LCS) “USS Independence” was on display at the Austal



▲ *Austal Technical Manager, Tim Speer speaking with the Moroccan Chief of Navy, Admiral Laghmari.*

exhibit, showcasing the latest in advanced combat ship technology. The LCS garnered significant attention throughout the exhibition, ahead of the

December announcement that Austal had been awarded a US Navy contract to construct a third LCS.

AUSTAL BIDS FOR CAPE CLASS CONTRACT

Austal has submitted a proposal to the Australian Customs and Border Protection Service in response to its request for tender for the construction of eight new border protection vessels, to be known as Cape Class Patrol Boats.

In the 2010-11 Budget, the Australian Government approved a significant investment to bolster Australia’s border security, which would include the replacement of eight Bay Class patrol vessels.

The new Cape Class vessels will play a critical role in border security, and will provide surveillance and response capabilities across northern Australia.

The Austal proposal includes design, construction and in-service support of the fleet. It draws on the company’s experience on previous programs including two fleets currently carrying out the same roles the Cape Class boats will undertake.

Austal designed, built and provided the initial in-service support for the eight Bay Class patrol vessels, which were

delivered between March 1999 and February 2001. Under the auspices of the Border Protection Command, they currently work in conjunction with the Royal Australian Navy’s 14 Armidale Class Patrol Boats, which were also designed and built by Austal.



▲ *Australian Customs & Border Protection Service 38 metre patrol vessels have been proven in service for over 11 years.*

FEATURE PLATFORM 54M OFFSHORE PATROL VESSEL



For more information email sales@austal.com or call +61 8 9410 1111

Austal is continually evolving its line of high performance aluminium patrol boat and auxiliary vessel designs to meet the specific needs of the end user, be it a navy, defence force, coast guard or other paramilitary agency.

Drawing on its in-house design expertise, together with

feedback garnered from a host of international navies, Austal has produced an innovative Offshore Patrol Vessel (OPV) design that combines the powering, seakeeping and layout advantages endowed by an aluminium trimaran seaframe.

This provides a flexible, responsive and cost-effective seaborne patrol capability to ensure the integrity of territorial waters, and deter or apprehend

those undertaking activities outside the law, ranging from illegal fishing, environmental transgressions and narcotics smuggling to human trafficking, piracy and maritime terrorism.

The robust, adaptable and sea-kindly vessel demonstrates sustained presence, and contributes to the maintenance of good order at sea, maritime safety, and search and rescue.

PRINCIPAL PARTICULARS: 54 OFFSHORE PATROL (OPV)

Length	54.0 metres
Beam (moulded).....	14.7 metres
Speed.....	24 - 26 knots
Range	3500 nm @ 12 knots
Flight deck area	175 metres
Weapon	1 x 25 mm remote stabilised gun
Sea/rescue boats.....	2 x 7.3 metre RHIBs
Crew	28



AUSTAL EXPANDS PRESENCE IN MIDDLE EAST

Austal has recently established an office in Dubai, and has employed a Business Development Manager, Mohamad Yasin Saleh.

"Austal is confident Mr Saleh's skills and experience will enhance Austal's presence in the Middle East," said Austal Chief Operating Officer, Andrew Bellamy.

Mr Saleh is a qualified marine engineer, who has over 27 years experience in the shipping industry. He served on board ocean going ships for more than

15 years, including seven years as Chief Engineer Officer.

In 2000, Mr Saleh joined one of the largest shipping companies in the region and held various positions in the organisation including the management of their repair and fabrication yard, as well as playing a key role in business development at the corporate level.

Mr Saleh and the staff of the Austal Dubai Office will aim to strengthen the relationship between Austal and its existing clients in the Middle East; promote Austal products; find new opportunities; and ensure

a rapid response to the needs of existing and future clients.

The Austal Dubai Office is located in the Jumairah Lakes Towers, Dubai.
Email: sales@austal.com
Tel: +974 5584 1609.



▲ Austal has delivered 20 vessels to the Middle East including three patrol boats to the Ministry of Interior, Govt. of Kuwait.

RECEIVE AUSTAL NEWS

To keep up to date with Austal news and updates, send your details to pubrel@austal.com

UPCOMING EXHIBITIONS

20 February 11 - 24 February 11

IDEX

Location: Abu Dhabi National Exhibition Centre (ADNEC)
Abu Dhabi, UAE

29 March 11 - 31 March 11

Adriatic Sea Defense & Aerospace Exhibition & Conference

Location: The Spaladium Arena
Split, Croatia

11 April 11 - 13 April 11

Sea Air Space

Gaylord National Resort & Convention Center
National Harbor, Maryland, USA

17 May 11 - 19 May 11

IMDEX

Location: Changi Exhibition Centre
Singapore

6 July 11 - 9 July 11

BRIDEX

Location: BRIDEX International Defence Exhibition Hall
Jerudong, Brunei



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