



22 November 2012

Kerrie Papamihail
Assistant Manager, Listings (Perth)
Australian Securities Exchange
Level 8, Exchange Plaza
2 the Esplanade
Perth, WA, 6000

by email: kerrie.papamihail@asx.com.au

Dear Kerrie,

RE: PRICE QUERY

We refer to your letter of 15 November 2012 regarding the change in price of the securities of Austal Ltd (ASX: ASB) (**Austal/the Company**). The Company responds as follows:

1. *Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

The Company had been considering a potential capital raising at the time the price of the Company's securities changed. That proposal was incomplete and confidential, hence the Company had not disclosed it to the market in reliance on listing rule 3.1A. The Company took all reasonable measures to preserve confidentiality and is not aware of any breach of those measures, therefore the Company does not know the reason for that trading, however it is possible that speculation around a capital raising could be one explanation.

2. *If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

The Company voluntarily requested a trading halt as soon as it became aware of the change in price of its securities, and at the completion of that trading halt, voluntarily sought (and was granted) suspension of trade in its securities. The Company has since made an announcement regarding a non-renounceable entitlement offer and will request the lifting of the suspension as soon as it is in a position to make an announcement regarding the completion of the institutional component of the entitlement offer.

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Western Australia www.austal.com

3. *Is there any other explanation that the Company may have for the price change in the securities of the Company?*

No.

4. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

We confirm the Company is in compliance with its obligations under the listing rules, including listing rule 3.1.

Yours sincerely,



**ADRIAN STRANG
COMPANY SECRETARY
AUSTAL LTD.**



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15 November 2012

Mr Adrian Strang
Company Secretary
Austal Limited

By email: adrian.strang@austal.com

Dear Adrian

Austal Limited ("the Company")

PRICE QUERY

We have noted a change in the price of the Company's securities from an opening price of \$1.23 cents to an intraday low of \$1.00 today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

Your response should be sent to me by facsimile to facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 5:30 pm (WST) today, Thursday 15 November 2012.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Kerrie Papamihail
Assistant Manager, Listings (Perth)