

Letter key Government and Defence Stakeholders for SEA5000

Dear XXXX

ASC Shipbuilding and Austal today announced they are joining forces to offer an Australian shipbuilding solution to the three shortlisted SEA5000 Future Frigate program Designers.

The purpose of our collaboration is to secure a sovereign naval shipbuilding capability for Australia. Furthermore, this agreement will combine the strengths and experience of Australia's two leading naval shipbuilders to lower risk and improve Australian industry competitiveness for the Future Frigate program.

Our coming together offers the SEA5000 tenderers a proven, low risk partner ensuring the Future Frigate program achieves the Commonwealth's stated objective of establishing sovereign Australian naval shipbuilding capability on a commercially compelling basis.

The teaming of ASC Shipbuilding and Austal offers the following to each of the SEA5000 tenderers:

- Established and proven competitive Australian shipbuilding operations including workforce, facilities and processes for the construction of major surface combatants
- A large and experienced group of Australian based naval architects and designers familiar with design for manufacture to Australian Defence requirements
- Established and proven competitive domestic supply chains numbering over 1000 Australian companies across the country through which Australian Industry Participation can be maximised
- Established and proven export markets and channels and a demonstrated track record of building vessels in Australia at internationally competitive quality and cost for sale overseas

ASC Shipbuilding and Austal share a vision for sovereign naval shipbuilding capability in Australia, underpinned by the continuous naval shipbuilding plan, which encompasses the ability to design, build, upgrade, maintain and export naval vessels in Australia, by Australians, working for companies that are headquartered and have ultimate decision making authority in Australia.

Continuous naval shipbuilding in Australia presents a once in a generation opportunity to develop and sustain an internationally competitive naval shipbuilding industry. The Future Frigate program, given its scale and complexity, sits at the core of this opportunity and hence the engagement of both the leading Australian-owned naval shipbuilders maximises the impact the program can have on maturing capability and expertise in the Australian workforce and supply chain.

It is our intent that ASC Shipbuilding and Austal will form a joint entity or similar commercial structure, fully supported by the in-country expertise of both our companies, to lead the shipbuilding of the SEA5000 Future Frigate program in the Osborne SA Techport facilities.

In support of the longer term vision of sovereign capability development within the Australian industrial base we anticipate a phased transition of responsibilities from the Designer to the Shipbuilder as the program matures.

We are excited about the possibilities that our teaming creates for naval shipbuilding in this country and we look forward to discussing this opportunity with you further in the near future.

Signed...

Mark Lamarre,

CEO, ASC Shipbuilding Pty Ltd

Signed...

David Singleton

CEO, Austal Pty Ltd.