

# Austal Vietnam

Presentation to Institutional Investors, Shareholders and Analysts  
10th April 2019

Mark Dummett  
President – Austal Vietnam



Well firstly it is my great pleasure to welcome you all to Vung Tau and Austal Vietnam. I have prepared a short presentation that I hope will inform you as to why we have such strong convictions that Austal Vietnam has a significant role to play in the future of our company.

# Vung Tau – Key Benefits

Availability of skilled labour with a strong work ethic

Established network of subcontractors

Developed Industrial and Marine infrastructure.

Established supply chains

Expat friendly environment

Quality culture

Favorable commercial terms

Support of the Provincial Council



Today I will touch on some of the key benefits of doing business in Vung Tau.



- One of the big attractions in Vietnam is the availability of skilled resources with a can do attitude and tremendous work ethic.
- We have a fantastic workforce which never cease to amaze me with their ability to get the job done.
- As of this Monday we have 233 employees and graduates working for us and need to grow this to around 450 - 500 over the next 4 months.
- Our HR Team have been superb and while our target still remains a challenge we believe we are up for it.
- We also have an established local Subcontractor network as back up, although to date we have had limited need for their help.

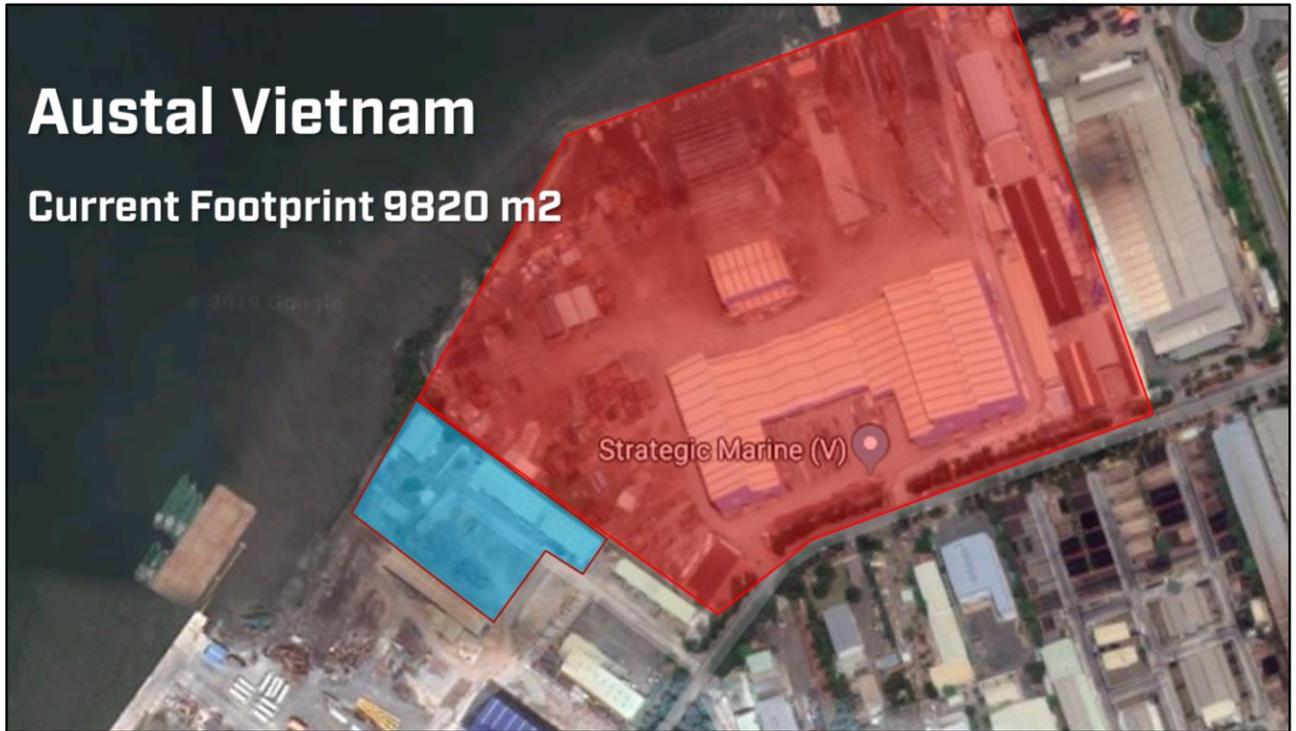


This slide shows our immediate neighbours Sofel, SMV and Vard and other waterfront engineering capability such as Vina Offshore and DXP.

DXP is of particular interest as we have an agreed schedule of rates with them and this provides us with Sustainment opportunities.

# Austal Vietnam

Current Footprint 9820 m<sup>2</sup>

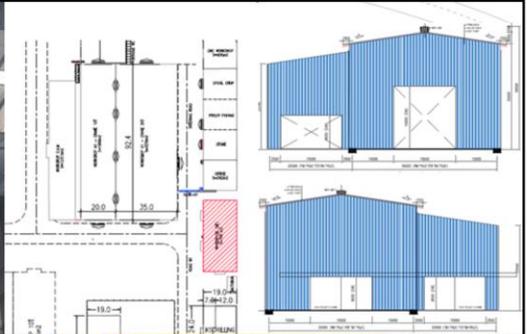


Next door is SMV where I spent from 2013 – 2018 along with most of our current Management team

Our footprint is small by comparison but we are efficient and when you lease by the m<sup>2</sup> you need to sweat the capital.

# Shipbuilding Capability

Total Land Area	9,820sqm
Main Assembly Hall	92m x 35m (3,234sqm)
	2x 24T Cranes (12T +12T)
	20.8m Under Crane Beam
Assembly Hall Annex	92m x 20m (1,482sqm)
	2x 10T Cranes
	2x 5T Cranes
CNC & Ancillary Workshops	2,622sqm
	1 x 5T Crane
Offices	684sqm
Launch & Wharf Facilities	Dong Xuyen Port
Employees (as at March 28)	201




As things stand currently our shipbuilding capability is as follows

# AUSTAL VIETNAMS SENIOR MANAGEMENT EXPERIENCE

PRESIDENT - MARK DUMMETT - 26 YEARS AUSTAL - 5 YEARS STRATEGIC MARINE - SMV & SMS

HEAD OF PRODUCTION - PHIL GROWDEN - 30 YEARS AUSTAL - 1 YEAR AUSTAL VIETNAM

JOHN MINERVINI - ENGINEERING MANAGER - 17 YEARS AUSTAL - 7 YEARS STRATEGIC MARINE SMV AND SALES

DARREN DANIELS - ELECTRICAL AND SENIOR PROJECT MANAGER - 21 YEARS AUSTAL - 5 YEARS STRATEGIC MARINE

FRANK KAPOR - FITOUT MANAGER - 8 YEARS AUSTAL - 4 YEARS HANSEATIC - 2 YEAR STRATEGIC MARINE

CU LE VAN - FINANCIAL CONTROLLER - 1 YEAR AUSTAL - 10 YEARS STRATEGIC MARINE

BINH TRAN - DESIGN MANAGER - 1 YEAR AUSTAL - 8 YEARS STRATEGIC MARINE

HONG NGUYEN - HR MANAGER - 1ST YEAR AUSTAL - 3 YEARS STRATEGIC MARINE

NGHI PHAM - PRODUCTION SUPPORT MANAGER - 1 YEAR AUSTAL - 8 YEARS STRATEGIC MARINE



The key point is that while Austal is relatively new to Vietnam our Senior Management have significant experience with Aluminium and Shipbuilding in Vung Tau, which is a real point of difference from other start up operations.

# VESSELS BUILT AT SMV 2013 - 2019



40 M FCB'S - ALUMINIUM - TRIPLE DRIVE LINE 26 - 30 KNTS



40 M PATROL VESSEL - STEEL - AUSTRALIAN BORDER FORCE



27 M WFSV - ALUMINIUM  
W/JETS, PODS, CPP



42 M FCB'S - STEEL / ALI - TRIPLE DRIVE LINE  
26 - 30 KNTS



2 x 42 M Ro Pax - ALI



**2 x 70 M - RO PAX- ALUMINIUM - LNG 14 KNTS**



**HIGH END - EUROPEAN OUTFIT**



**PROVEN ENGINEERING CAPABILITY**



**85 M RO PAX- STEEL HULL ,ALUMINIUM SS- LNG 14 KNTS**

# QUALITY AND SAFETY CULTURE

Established Quality and Safety culture born out of the local Oil and Gas industry

Strong availability of university educated HSEQ professionals.

Notes contained with in the slide.



A great advantage to Vung Tau is that it is a vibrant city in which Expats and their families can enjoy a comfortable and varied lifestyle. Vietnamese are very focused on a healthy lifestyle and there is an abundance of sporting opportunities and Gyms.

The food is fantastic, both Asian and Western, the beaches are nice (surf not so good) and with the AFL and NFL season just starting you can see every game at any one of a dozen venues.

Dental and Optometry is excellent and extremely affordable.



## LNG INFRASTRUCTURE

### Vietnamese, US investors make plan for LNG project

SGGP - Wednesday, March 06, 2019 11:46

T&T Group and its US partner Gen X Energy on March 5 had a meeting with leaders of Ba Ria – Vung Tau Province to discuss on their plan to invest in a liquefied natural gas (LNG) project with total investment capital of nearly US\$6 billion.



The meeting of T&T Group and Gen X Energy with leaders of Ba Ria - Vung Tau Province. (Photo: SGGP)

According to Gen X Energy, the LNG Cai Mep Ha Complex, covering an area of around 200 hectares, consists of two specialized terminals which are able to harbor 100,000 DWT ships, LNG storehouse, gasification system and gas transportation system.

The project will be carried out in three stages. The first stage is expected to be finished by 2023, the second by 2026 and the last by 2030. The project's gasification capacity is 9 million tons per annum; total LNG reserve capacity is 800,000 cubic meters, and total power generation capacity will increase by 6,000 megawatts.

Mr. Nguyen Hong Linh, Secretary of the Provincial Committee of the Party of Ba Ria – Vung Tau Province, highly appreciated the project that T&T Group and Gen X Energy have proposed. This is a large-scale project which applies advanced technology and meets criteria for investment attraction of the province. The province will ask for Prime Minister's permission and create favorable conditions for T&T Group and Gen X Energy to carry out the project as soon as possible.



### Vietnam's first regasification terminal to open door for LNG imports

By Tue Lam August 1, 2018 | 06:06 pm GMT+7



PV Gas is a major shareholder in the company developing the Thi Vai LNG terminal project. Photo courtesy of PV Gas

**The Thi Vai LNG terminal, Vietnam's first regasification facility, could begin operations in late 2020.**

Construction of the terminal, which would turn liquefied natural gas (LNG) back into its gaseous state, could begin early 2019 after tenders are issued for the project in October or November this year, said Pham Van Phong, director of Liquefied Natural Gas (LNG) Vietnam JSC, a subsidiary of the state-run PV GAS.



Vung Tau is a well established Oil and Gas Hub with existing LPG storage capability. Planning and investment is now well underway for the development of an LNG Regasification Plant which will ensure LNG vessels built in Vung tau will be able to be commissioned and delivered ex yard.



# THE BEGINNING MINH VIET EC

We have come quite a long way in a relatively short time and this is where it all began with the help of one of our Sub contractors, Minh Viet EC.

## Austal Vietnam – Location, Minh Viet EC

Units 8C, 6AP and 6AS Hull 419



We were at Minh Viet EC, which is about 1 km from where we are today, from the end of February 2018 until we moved to DXP at the end of October. In this time we built our workforce in preparation for our first project while supporting Austal Philippines with Units for Hull 419.

## **Austal Vietnam – Shipyard Development DXP**

### **Milestones**

- **Main Shed Works Started – 17/7/2018**
- **Main Shed Completion – 31/10/2018**
  
- **Annexe Works Started – 14/8/2018**
- **Annexe Completion – 27/11/2018**
  
- **Office and Ancillary Building Contract Signed – 20/10/18**
- **Office and Ancillary Building Completion – 6/1/19**



There was some healthy scepticism from within when DXP promised they could deliver on the first shed in four months from Contract Signing but we learnt a great about our Landlord over the coming months, all of it positive.

## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 10/7/18



The following slides will have no commentary but are of interest to provide a visual demonstration of what was achieved. I will also note that while it is not that evident from the photos, this fell through the rainy season and when it rains in Vietnam it really rains.

**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

**Date – 18/7/2018**



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date – 21/7/2018



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date – 29/7/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date - 4/8/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date - 11/8/18



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date - 18/8/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 25/8/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 27/8/18



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date - 1/9/18



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date – 4/9/18



# Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 12/9/18



DRAFT

SHIPS • SYSTEMS • SUPPORT



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 12/9/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 14/9/18



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date – 18/9/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 19/9/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date – 20/9/18



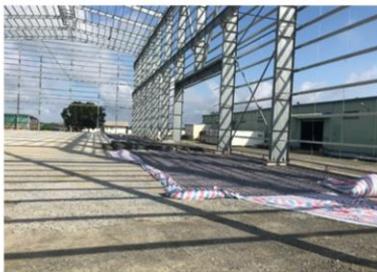
## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -21/9/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -27/9/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -3/10/18



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date -5/10/18



# Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -11/10/18



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**  
Date -19/10/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -29/10/18 Stage 1 Handover



# Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -6/11/18



**AUSTAL**

## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -14/11/18



## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -1/12/18



# Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -13/12/18



**Austal Vietnam – Location, Dong Xuyen Port, Vietnam**

Date -19/12/18



# Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -2/1/19



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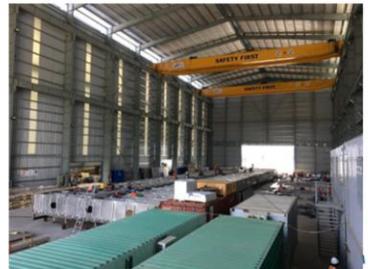
## Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date - 8/1/19



# Austal Vietnam – Location, Dong Xuyen Port, Vietnam

Date -17/1/1



AUSTAL

## Visit to HSD in September 2019 by prominent Parliamentary Delegation from Ba Ria Vung Tau Province Council

- Mrs Nguyen Thi Yen, Deputy Leader of Party and Head of Parliamentary of Ba Ria Vung Tau province, Head of Delegation
- Mr Le Tuan Quoc, Vice Chairman of People's Committee of Ba Ria Vung Tau province, Deputy Head of Delegation
- Mr Mai Ngoc Thuan, Member of Party's Standing Committee of Ba Ria Vung Tau province, Party Secretary of Vung Tau city
- Ms Bui Thi Dung, Director of Department of Trade of Ba Ria Vung Tau province
- Ms Le Thi Trang Dai, Director of Department of Labour, War Invalids and Social Affairs of Ba Ria Vung Tau province
- Mr Le Ngoc Linh, Director of Department of Natural Resources and the Environment of Ba Ria Vung Tau province
- Mr Nguyen Van Tham, Chairman on People's Committee of Phu My ward
- Mr Le Huu Hien, Deputy Director of Department of Foreign Affairs of Ba Ria Vung Tau province
- Ms Nguyen Thi Thuy Lien, Officer of International Relations, Department of Foreign Affairs of Ba Ria Vung Tau province
- Mr Nguyen Ngoc Vinh, Deputy Chief of Mission
- Phung The Long, Consul General



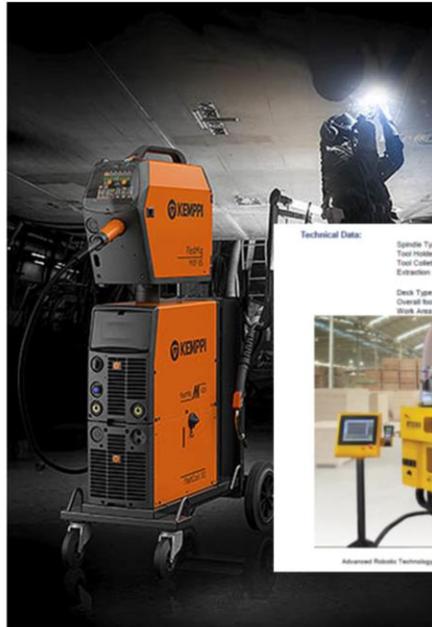
In September 2019 we were visited by a prominent parliamentary delegation from the Ba Ria Vung Tau Province Council.

# CAPEX

Spent to date 1.64 M USD

Remaining FY 18/19 0.6 M USD

Expected FY 19/20 0.8 M USD



#### Technical Data:

Splatter Type:	WSD 4-Pole Liquid coated 24HP
Tool Holders:	4 x HDK 63
Tool Carriers:	4 x ER32
Extension System:	Weld Cylcane 4Drun with rotary valve
Deck Type:	Heavy Duty T-Slot Plank
Overall Support:	23000 x 3000mm
Work Area:	20000 x 2200mm



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To date we have not expended overly significant CAPEX and the outlook for 2020 remains modest. This is of course subject to order book pressure.

# POSSIBLE FURTHER SITE DEVELOPMENT

- Extension of WS 1
- Extension of WS 2
- Development of Jetty

## COST ESTIMATION

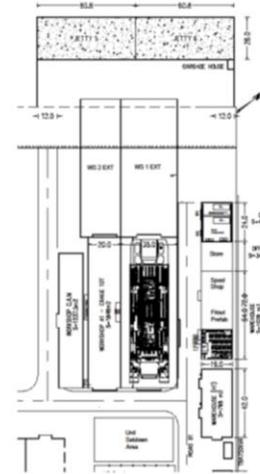
WORKSHOP EXPANSION  
OPTION 2 - 02 YEAR DURATION

STT	DESCRIPTION	INVESTMENT CAPITAL	RENTAL COST (2 YEARS) DURATION
I	BACKFILLING (FOR MAIN SHED ANNEX)	566,949.0	212,605.5
II	SHED	1,426,220.0	534,832.5
a'	Main shed A1 (84*35)m	991,542.0	371,829.0
b'	Annex shed (84*20)m	434,678.0	163,003.0
<b>TOTAL UNIT PRICE FOR 01 YEAR</b>		<b>3,419,389.0</b>	<b>747,438.0</b>
<b>TOTAL PRICE FOR 02 YEARS</b>			<b>1,494,876.0</b>

## WORK SCHEDULE

WORKSHOP EXPANSION AND JETTY

NO	WORK DESCRIPTION	SCHEDULE (MONTH)											Remarks		
			1	2	3	4	5	6	7	8	9	10			
I	<b>BACKFILLING WORK</b>														3.0
	Backfilling with sand and pipe...	3													3.0
II	<b>WORKSHOP Main workshop (84 x 35m) &amp; Annex workshop (84 x 20m)</b>														6.0
	- First 50% (42 x 35m) & (42 x 20m)	3													3.0
	- final 50% (42 x 35m) & (42 x 20m)	3													3.0
III	<b>JETTY (100L*18WM)</b>	6													6.0



We have recently requested preliminary cost for expansion required to enable a potential contract to be built concurrently with the current build and the figures are as shown.

We are still waiting on an estimate for a Jetty facility at this stage.

# First AV New Build Project Let's go and have a look



So to wrap up our first Project at 94 meters is undoubtedly a challenge but I hope you will be suitably impressed with what we have achieved to date and come away with confidence that we are up to that challenge and share our optimism for an extremely bright future here in Vietnam.

# Disclaimer

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**For further information visit [www.austal.com](http://www.austal.com)**

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