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General Dynamics NASSCO to Build Two Container Ships for Matson

SAN DIEGO – General Dynamics NASSCO, a wholly owned subsidiary of General Dynamics (NYSE: GD), announced today it has signed a contract with Matson Navigation Company, Inc., a wholly owned subsidiary of Matson, Inc. (NYSE: MATX), for the design and construction of two Kanaloa Class liquefied natural gas (LNG)-capable containerships with roll-on, roll-off capability.

The 870-foot-long, 3,500 TEU containership design provides the capability to transport containers, automobiles and rolling stock, including trailers. Using proven design standards, the design incorporates LNG-capable main and auxiliary engines, which are compliant with Tier III emission requirements. The design accommodates future installation of a LNG fuel gas system.

Once delivered, the Jones Act qualified vessels will serve a trade route between the continental west coast and Hawaii.

“We are very pleased to partner with Matson to build their next generation of shipping vessels,” said Fred Harris, president of General Dynamics NASSCO and Bath Iron Works. “NASSCO has long played a leading role in revolutionizing the future of the American shipping industry. Our partnership with Matson builds upon NASSCO’s successful track record of constructing high-quality, highly efficient and on-time delivery for the Jones Act trade.”

“We are pleased to be working with NASSCO again on new vessels for Matson. NASSCO’s deep history and reputation for quality give us confidence that these new ships will be the most advanced efficient and productive vessels in our fleet,” said Matt Cox, president and CEO of Matson. “Our last NASSCO vessel, *RJ Pfeiffer*, has been a mainstay of our Hawaii service and we look forward to adding the superior performance of these new Kanaloa Class vessels to the fleet.”

GENERAL DYNAMICS

NASSCO

Construction of the first containership will begin in early 2018, with deliveries in 2019 and mid-2020, respectively. The ships will be constructed at the NASSCO shipyard in San Diego.

NASSCO is partnered with Daewoo Ship Engineering Company (DSEC) to provide its customers with state-of-the-art ship design and shipbuilding technologies. Since 2006, the partnership produced four commercial ship designs for five separate Jones Act owners.

NASSCO serves as the only major shipyard on the west coast of the United States conducting design, new construction, and repair of commercial and U.S. Navy ships. As a complement to its government new construction and repair business segment, NASSCO provides extensive experience in commercial shipbuilding. In the past decade, NASSCO delivered 28 ocean-going ships to government and commercial customers—including the world's first LNG-powered containerships.

For more information about General Dynamics NASSCO, visit www.nassco.com.

For more information about Matson Transportation Company, Inc., visit: www.matson.com.

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