The MoD has confirmed that a new Royal Navy missile defence system will be able to intercept and destroy enemy missiles travelling at supersonic speeds. The £483M contract to develop this cutting edge air-defence system - known as Sea Ceptor - is being awarded to UK industry. Capable of reaching speeds of up to Mach 3, it will have the ability to deal with multiple targets simultaneously, protecting an area of around 500 square miles over land or sea.

Sea Ceptor's ability to intercept missiles at sea will be developed under a demonstration contract with MBDA (UK) that is expected to last for five years. This contract will sustain around 500 jobs in MBDA and its supply chain, in key locations across the UK such as Stevenage, Filton and Lostock.

Peter Luff - Minister for Defence Equipment, Support and Technology - will visit MBDA staff at Filton today to discuss the contract. He said:

"The development of this missile system is a huge boost to the UK's world-leading missile industry and once again proves our commitment to providing battle winning technology to our Armed Forces. The introduction of this cutting edge missile system will not only ensure that the Royal Navy will be able to continue protecting our interests wherever they may be, but is also highly significant in sustaining and developing the UK's skill in building complex weapons."

Chief of Defence Materiel Bernard Gray said: "There is no room for complacency when it comes to providing the Armed Forces with the kit that they require and the development of Sea Ceptor is testament to the forward thinking attitude of the MoD. While we are committed to providing our Armed Forces with the kit they need now it is also vital that we have one eye on the future and the threats that may face us."

Sea Ceptor has been designed for initial use on the Type 23 frigate to replace the Sea Wolf air defence system when it goes out of service in 2016 and is planned to be used on the Type 26 Global Combat Ship. Its flexible design also means that it could in future be adapted for use by the Army and RAF.