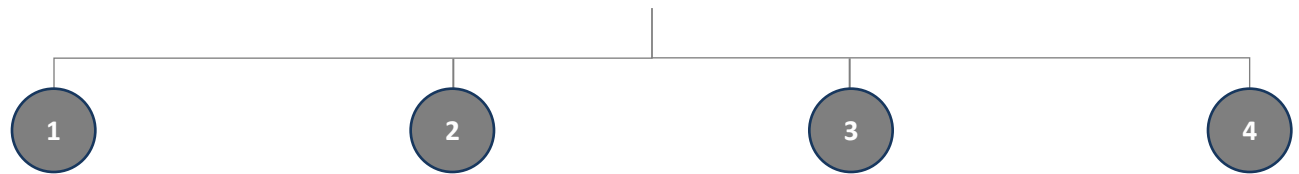


Orbital Corporation Limited (ASX: OEC)

Corporate Presentation

Orbital today earns income via 4 operating segments; System Sales, Synerject Joint Venture, Consulting Services and Royalties & Licences.


ORBITAL
Segments


Segment	System Sales	Synerject Joint Venture	Consulting Services	Royalties & Licences
Operating Sector¹	UAS ¹ , Liquid LPG, LPG System Distribution	Non Auto EMS ¹ global supplier	EMS (Auto, non-Auto, R&D)	Non Auto EMS
Applications / Systems	  		 	
FY14 Revenue	A\$14.1m	US\$141.7m (100% interest)	A\$2.9m	A\$1.1m
FY14 Profit	A\$0.6m	A\$3.3m (OEC share of profit)	(A\$0.2m)	A\$0.6m

Notes:

1. EMS: Engine Management System. UAS: Unmanned Aircraft System.

Source: Company Announcements.

The Systems Sales segment is a developer of engines, propulsion systems, engine management systems and fuel system components for Original Equipment Manufacturers and the motor vehicle aftermarket.

Business Model / Summary

- Development and supply of high value systems, starting with engine management systems, engines and engine parts
- The segment operates predominantly in alternative fuel markets and provides systems that range from heavy fuels for Unmanned Aircraft Systems (UAS) to LPG for motor vehicles
- The year over year drop is due to Textron insourcing engine manufacturing, Orbital retains the FlexDI systems sales. Future revenues will be significantly higher based on FlexDI to Textron and full propulsion systems to Insitu division of Boeing

UAS¹

Engines and EMS¹ Systems



Liquid LPG

Liquid LPG system supply

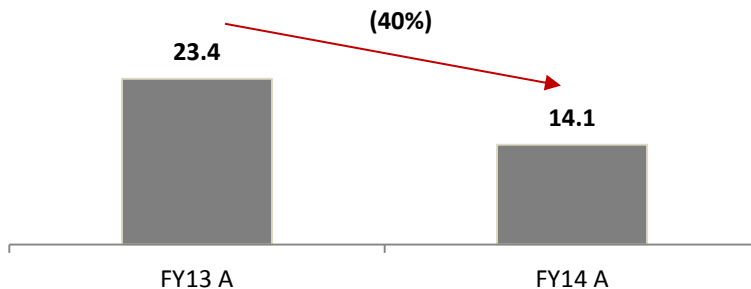


Distribution

LPG & CNG conversion kit
Australia wide



Segment Revenue (A\$m)



Notes:

1. EMS: Engine Management System. UAS: Unmanned Aircraft System. SUAS: Small Unmanned Aircraft System.

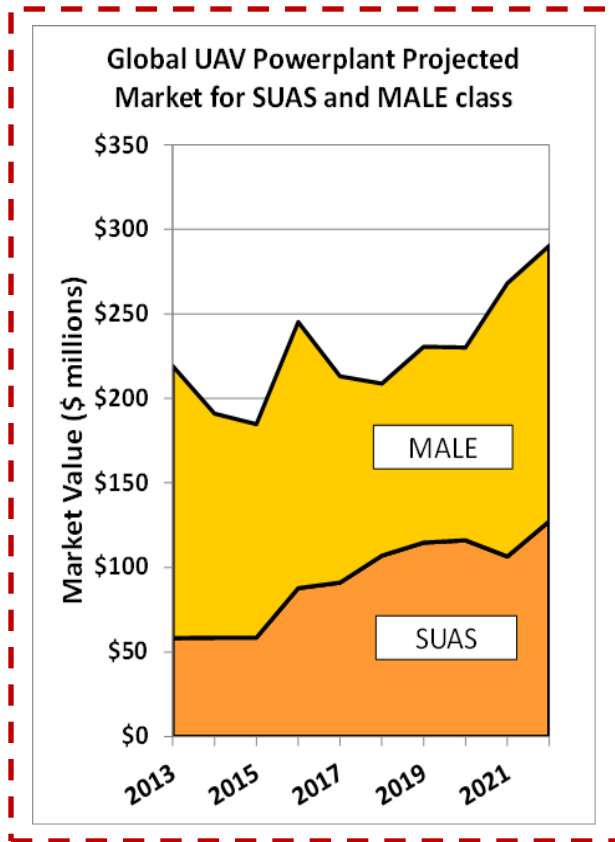
Source: Company Announcements.

Future Objectives

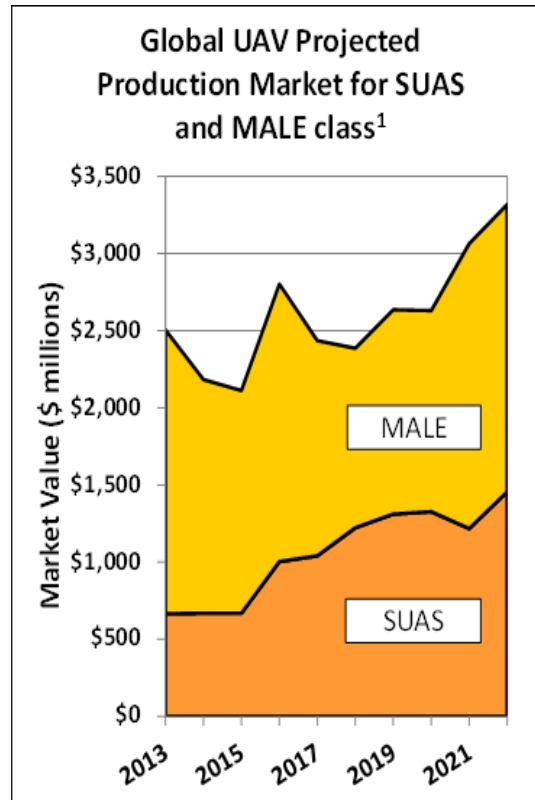
- Develop next generation SUAS¹ engine and engine management systems, this market segment has potential to reach \$100m in sales in 3 - 4 years
- Expand UAS production into new markets targeting larger unmanned aircraft and helicopter applications
- Plan for expansion of SUAS business internationally
- Structure LPG businesses for sustainable profitability
- Utilize the LPG infrastructure to launch and support LNG transport applications

Global SUAS market projected to reach US\$1.0bn by 2016. Orbital estimate the SUAS and MALE propulsion market to >\$250m.

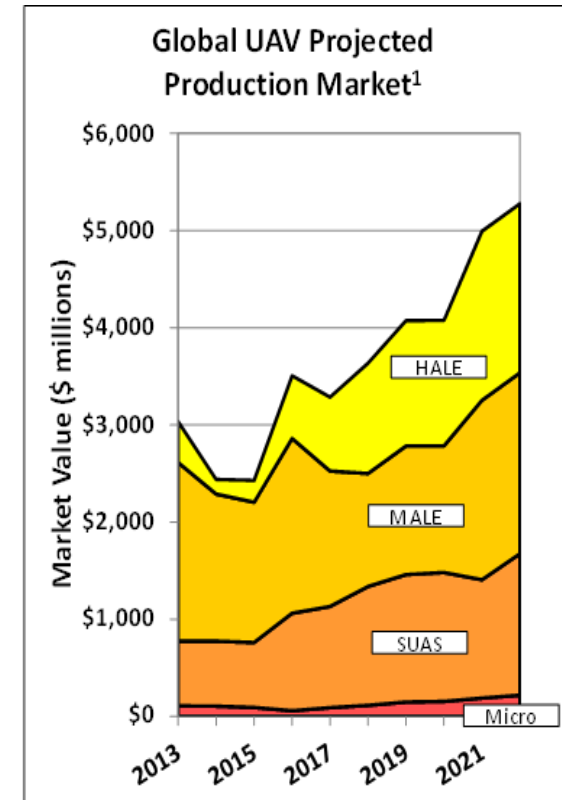
Orbital propulsion market estimates²



Market Data Estimates



Market Data Estimates



Notes:

1. SUAS: Small Unmanned Aircraft System. MALE: Medium Altitude Long Endurance.
2. Based on c. 9% of the aircraft content being propulsion (Orbital estimate).

Source: Company Announcements. Market and Market's report.

From Shephard Media – Unmanned News



Key Quotes

“Williamson described progress on the propulsion system front as phenomenal. ‘We have really enjoyed our relationship with Orbital. We find them to be a world-class partner, and the plan that we embarked upon two years ago is on schedule.’ “

[Don Williamson, Insitu Director - International Business Development]

“Geoff Cathcart, chief technology officer and director of engineering at Orbital Australia, also emphasised the importance of a systems approach. ‘It is not the engine technology that results in the improvement, it is the development and integration of the complete propulsion system,’ he told UV.

Orbital’s research has highlighted the need for bespoke fuel and oil supply systems, and the company has designed custom delivery modules for the Insitu application. “

[Geoff Cathcart, Orbital Chief Technical Officer]

This article can be accessed through:

http://mags.shephardmedia.com/uvonline/2014/UVOctNov14_webmag43542362/index.html

Orbital has been working with Insitu Inc, a division of The Boeing Company, since January 2013. Orbital have recently delivered the first UAS¹ engine system to Insitu Inc



- First purpose-built ScanEagle Unmanned Aircraft System propulsion system delivered to Insitu Inc, a division of The Boeing Company, for in-house testing and development during September 2014
- Successful completion of the program is expected to lead to a low volume production contract to be supplied from Orbital's facilities in Perth, and may evolve into a higher production volume business and new Orbital production facilities



- Insitu is the largest manufacturer in the SUAS¹ market segment
- The UAS segment has the potential to evolve into a \$100m per annum revenue business for Orbital

Notes:

1. UAS: Unmanned Aircraft System. SUAS: Small Unmanned Aircraft System.

Source: Company Announcements.

Insitu "SCANEAGLE 2"



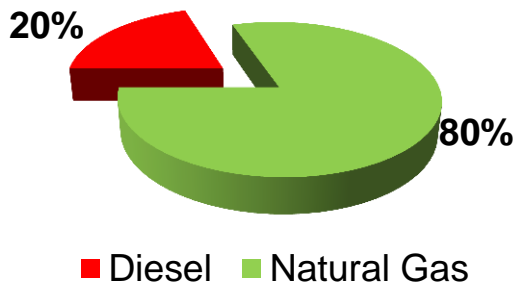
Photo:
**Propulsion System as displayed at Paris
EuroNaval 2014 Exhibition**



The cost of LNG (Liquid Natural Gas) is approximately 40% lower than diesel. Orbital's FlexNG™ Dual Fuel System provides excellent cost value for mining applications in Western Australia.

Reduce Fuel Cost

For heavy loads, up to 80% natural gas to 20% diesel (by energy), substitution. The result is substantial fuel cost savings and quick payback.



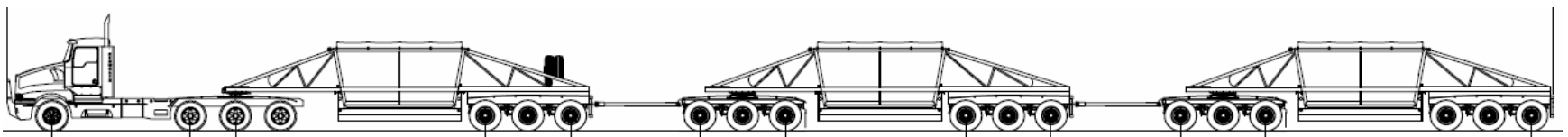
Diesel-Like Performance

Orbital's unique self learning and adaptive engine knock control allows diesel engine performance – whilst maintaining the high natural gas to diesel substitution rates.



Best in Class Reliability

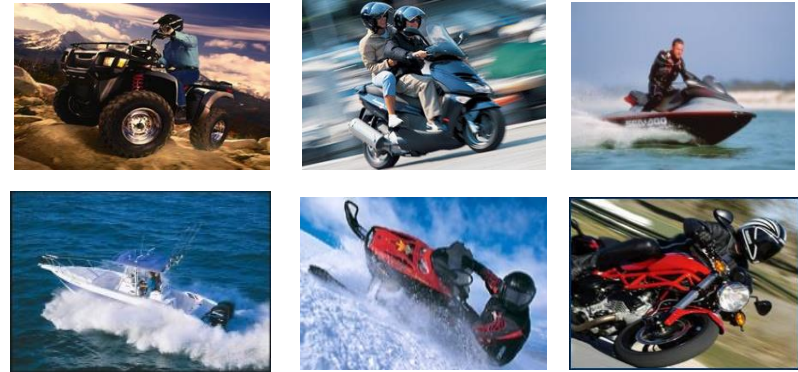
Orbital's Dual Fuel system has been fleet tested on B doubles, up to 150 tonne, for approximately 3 million kms in West Australia's harsh Pilbara environment. No engine failures.



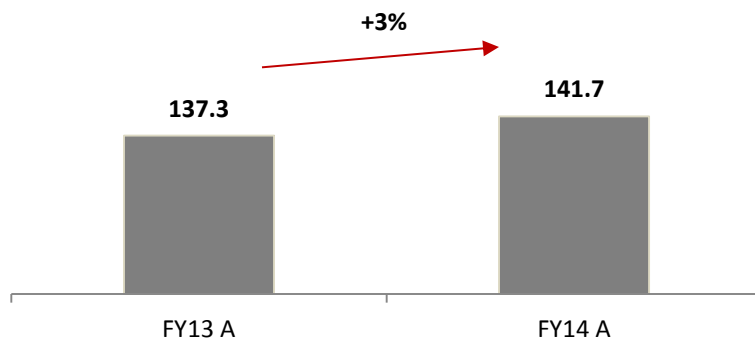
Synerject, Orbital's 30:70 partnership with Continental AG, is the world largest supplier of Engine Management Systems (EMS) and fuel system to the non-automotive market. Synerject's head office is located in Virginia, USA.

Business Model / Summary

- Original equipment products using Synerject's engine management system range from the high performance motorcycle/recreational market to the high volume scooter and small engine markets
- Application centres in Europe, China, Taiwan and USA provide on-site support and production programs



Synerject Revenue (US\$m) – 100% interest



Future Objectives

- Expansion of low end 2 & 3 wheeler EMS¹ markets targeting India, China & Asia
- Expansion of utility market with new line of low cost EMS products
- Continued growth while maintaining profitability
- Orbital continues to support Synerject to expand FlexDI applications in the recreation market

Notes:

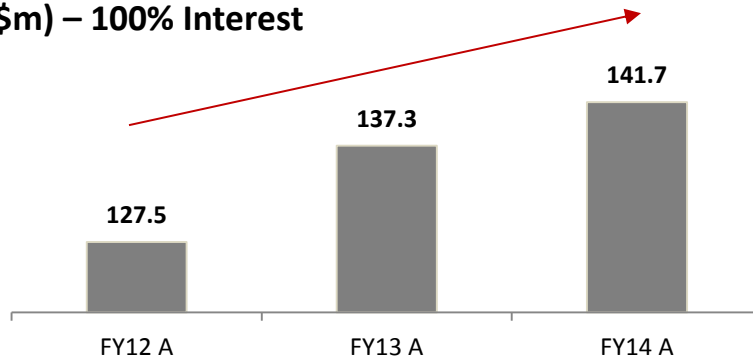
1. EMS: Engine Management Systems.

Source: Company Announcements.

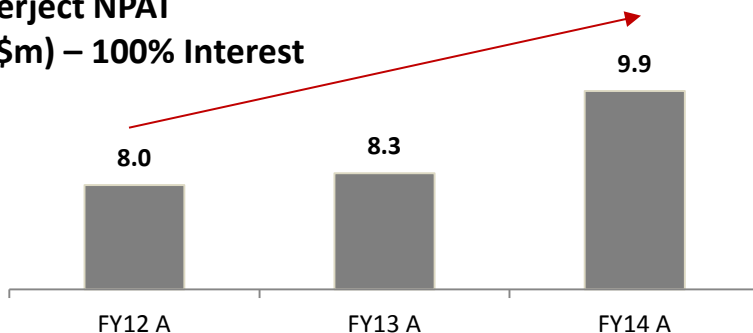
Orbital's stake in Synerject has significant value, demonstrated by Continental AG's previous 12% purchase from Orbital for US\$6m during March 2013. This transaction implies a value for Orbital's remaining 30% stake of US\$15m.



Synerject Revenue (US\$m) – 100% Interest



Synerject NPAT (US\$m) – 100% Interest



Continental's previous 12% purchase from Orbital for US\$6m during March 2013 valued the business at US\$50m

At this valuation, Orbital's current 30% interest valued at US\$15m (as of March 2013).

Synerject revenue and profit have continued to grow since 2013 and business posted record FY14 results.

This reflects an increase in the value of Orbital's 30% interest, higher than Orbital's current market cap of circa A\$14m.

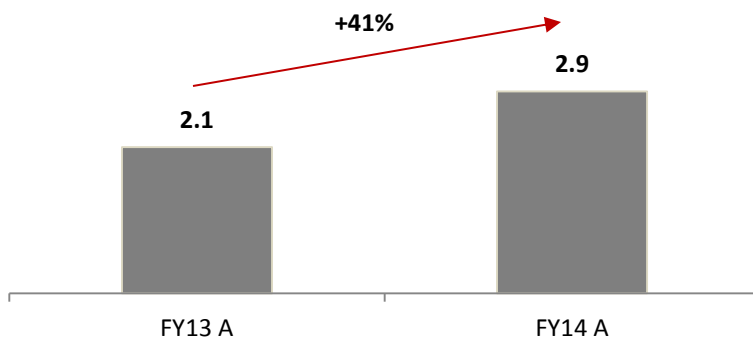
Orbital Consulting Services (OCS) provides engineering consulting services in engine design, development and supply of combustion systems, fuel and engine management systems, along with engine and vehicle testing and certification.

Business Model / Summary

- The business model for the OCS group is based around the provision of consulting services in three main areas:
 1. Integration of Orbital technology
 2. Advanced engineering aimed at design , development and validation of new technology
 3. The operation of engine and fuel testing and certification facilities



Segment Revenue (A\$m)



Future Objectives

- Continue consulting as the incubator of new product development focusing on high value customer projects
- Maintain core, engine management, and fuel systems development technical capability
- Continue to exploit Engineering Consulting ability to generate new systems sales opportunities
- Reduce but maintain Perth-based development, testing and certification facilities

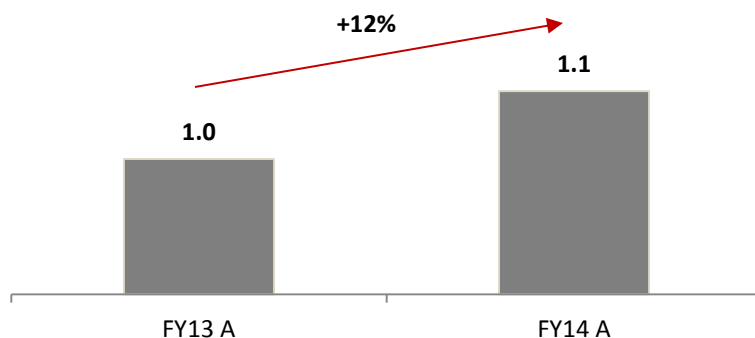
Orbital earns royalties from products using its FlexDI™ systems and technology. The royalty bearing products today are in the marine, scooter/motorcycle and SUAS¹ markets.

Business Model / Summary

- Orbital has maintained a portfolio of patents to protect the intellectual property invested in the development of our FlexDI™ technology
- At present there are 15 authorised OEM¹ and component manufacturers licensed to use the technology; 3 in production



Segment Revenue (A\$m)



Future Objectives

- Royalty revenues from new SUAS business expansion
- Expand SUAS EMS portfolio, especially in the area of heavy fuel
- Key patent work to protect investment in Orbital's new products and systems

Notes:

1. SUAS: Small Unmanned Aircraft System. OEM: Original Equipment Manufacture.

Source: Company Announcements.

Orbital is actively pursuing acquisition/partnership opportunities in the domestic resource industry targeted at providing systems and products that improve productivity and/or that predict failures to reduce downtime. These products and systems can also provide safety enhancement and potentially have a positive environmental impact

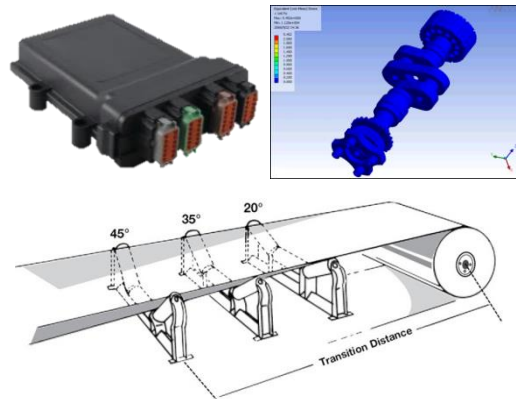
Reduce Downtime

Downtime on bottleneck equipment can cost up to \$1m dollars an hour lost revenue for major resource companies. Monitoring, sensors and integrating these into the operations can save costly downtime



Improve Life Cycle

Reduced maintenance requirements with upgrades to existing equipment, improved life time of parts and connectors. Design for durability. Automation. Specialised engineering is an Orbital strength



Productivity Enhancements

No company in Australia can match Orbital for engine efficiency technology. Orbital can provide solution to Optimise fuel usage, drive cycles, etc. Orbital can use these development programs to develop system solutions for customers in the resource sector.



Proposed REMSAFE Acquisition

Orbital has entered into a Share Sale Agreement to acquire a 50% interest in REMSAFE for \$5m to be financed through a Convertible Note Offer.

Structure	<ul style="list-style-type: none">▪ Orbital to acquire a 50% interest in REMSAFE▪ Remaining 50% to be held by the inventor of REMSAFE's technology, Michael Lane, who will be employed by Orbital as REMSAFE's Managing Director
Offer Value	<ul style="list-style-type: none">▪ Orbital to acquire its 50% shareholding in REMSAFE for \$5m payable in cash and Orbital shares as follows:<ul style="list-style-type: none">– \$4m to be paid in cash upon Completion– \$1m to be satisfied through the payment of cash or issue of 4,000,000 fully paid ordinary shares in Orbital upon Completion
Funding	<ul style="list-style-type: none">▪ Convertible Note Offer to raise up to \$10 million for purchase of 50% interest and to support further growth initiatives▪ Minimum amount to be raised is \$5 million
Offer Conditions	<ul style="list-style-type: none">▪ Completion of the funding▪ Execution of a Shareholders Agreement between Orbital and Michael Lane▪ All regulatory, statutory and other approvals required
Indicative Timing	<ul style="list-style-type: none">▪ Shareholder General Meeting 21st January 2015▪ Settlement of Note Issue 29th January 2015▪ Settlement of acquisition 4th February 2015

REMSAFE has developed, and is selling, a remote isolation product titled “REMSAFE” to bulk commodity above ground producers such as BHPB, Rio Tinto and FMG.

Overview of REMSAFE Product



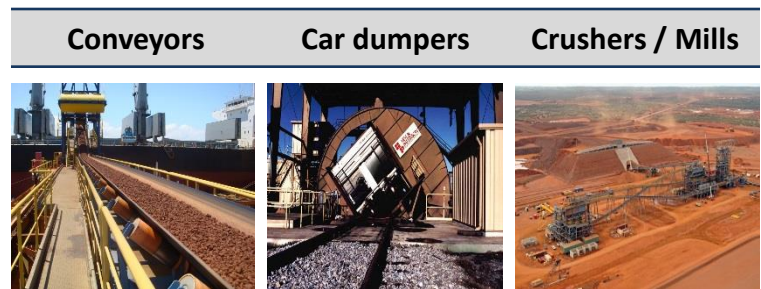
- What is REMSAFE?**
- A high voltage remote isolate system designed by REMSAFE initially for use at hard rock mining operations
- What does it do?**
- System will quickly and safely de-energise and isolate bulk handling plant from motive energy sources
- Why the need for REMSAFE?**
- REMSAFE replaces a typical **40 to 90 minute process** where an electrician uses manually operated isolators
 - REMSAFE de-energises and isolates all drive energies to high voltage equipment in **less than 3 minutes**
 - **System has the potential to save clients millions of dollar in lost tonnages**

Who is using REMSAFE currently?

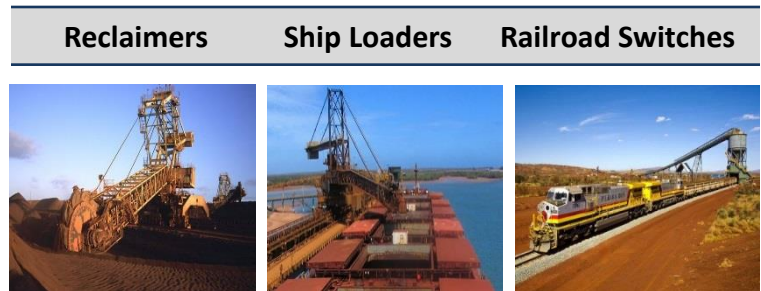


REMSAFE Applications

- The REMSAFE product is targeted at high-volume fixed material handling plants such as:



- REMSAFE also suits balance plants such as:



The REMSAFE product is a system collectively made up of a number of individual components. Each installation requires a “Master Control Station” and at least one “Field Isolation Station”.

Master Control Station (MCS)



- Each site requires a MCS
- One MCS will operate 30 REMSAFE systems
- The system accommodates the master safety PLC and industrial PC for data logging

Field Isolation Station (FIS)



- Each conveyor, car dumper etc requires at least one FIS
- Mounted in close proximity to the plant it is used to isolate
- Several field isolation stations can be used for a single item of plant (typically long conveyors)

Selectable Isolation Mode Cubicle (SIMC)



- SIMC provides the operator with the ability to de-select drives from the overall isolation
- Only one SIMC is installed per conveyor, usually located adjacent to the FIS at the conveyor’s head end

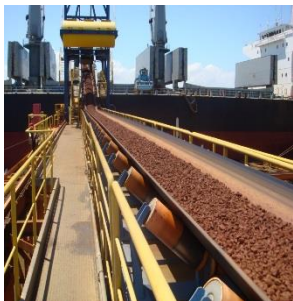
Failsafe Instrument Cubicle (FIC)



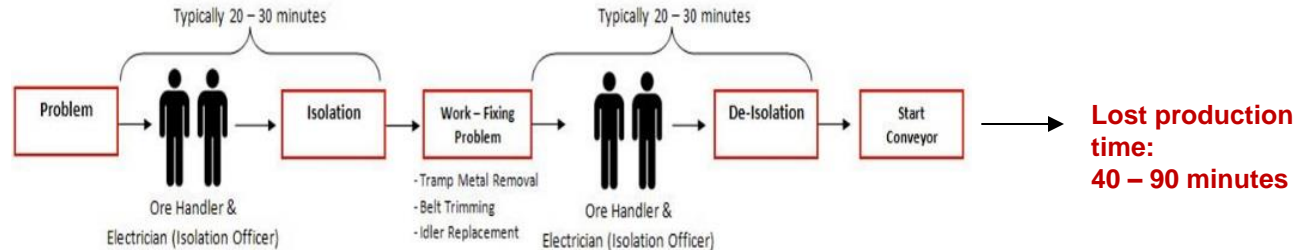
- Where there is inadequate room in a MSC isolator cubicle for the remote isolation hardware, REMSAFE install a Failsafe Instrument Cubicle nearby

A typical manual isolation of a bulk haulage system can take up to 40-90 minutes. The REMSAFE remote isolation system can complete the same task in less than 3 minutes. The REMSAFE system also completes the isolation remotely and is therefore safer than current manual processes. Isolation does not require a licensed electrician.

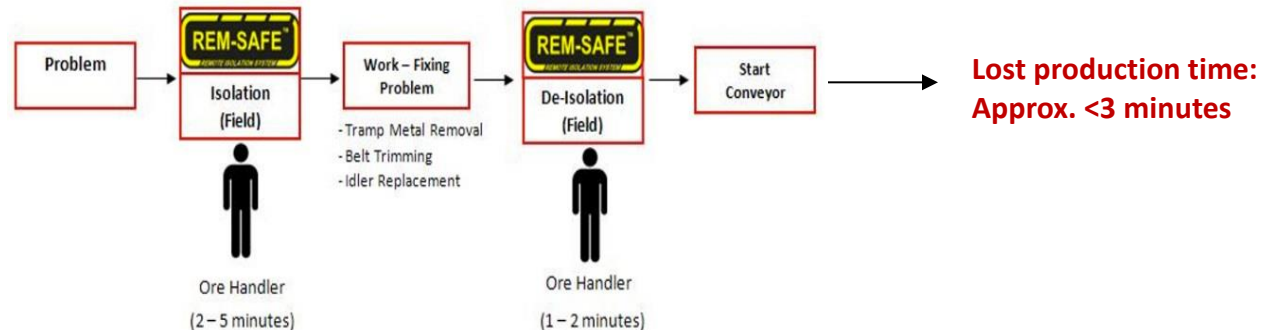
Event on bulk haulage system i.e. conveyor system



Manual Isolation



REMSAFE Remote Isolation



Using an illustrative example for ‘WA Iron Ore Miner’, the material isolation time saving experienced via using REMSAFE can lead to substantial production tonne increases and short payback periods on investment.

The Situation Before REMSAFE

- A site conveyor routinely requires full electrical isolations to enable completion of routine task
- Before REMSAFE, it would take 30 minutes to isolate the conveyor including waiting time and travel and 30 minutes to de-isolate
- For the purpose of this illustrative business case, the following operation and financial assumptions are made

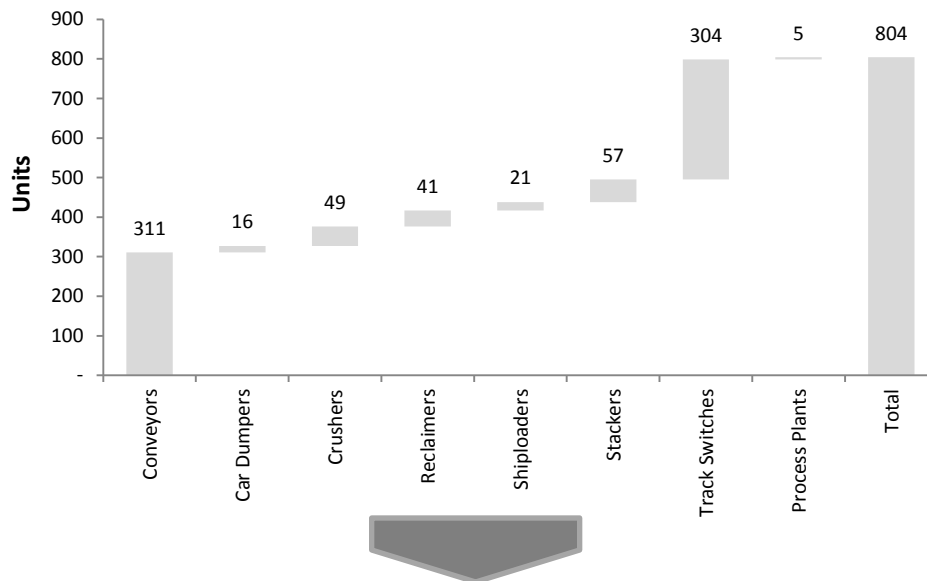
Assumptions	Units	Value
Conveyor throughput	Tonnes per hour	8,000
Isolation time	minutes	60
Number of isolations per month	#	4
REMSAFE isolation time	minutes	6
Iron ore Price	A\$/t CFR	70

Outcomes to ‘WA Iron Ore Miner’

- Under the assumptions shown, the current isolation and de-isolation yields a loss of **8,000t** production tonnes per isolation
- REMSAFE isolation and de-isolation, taking only 6 minutes, loses only **800t**
- **Assuming 4 isolations a month:**
 - **Translates to an increase of 345,600t a year through the conveyor (7,200t ‘saved’ x 4 isolations a month x 12 months)**
 - **At a A\$70/t iron ore price this ‘saved’ tonnage translates to an additional A\$24.2m in revenue for ‘WA Iron Ore Miner’ per year**

REMSAFE is applicable to all hard rock mining and oil & gas production systems. The local WA iron ore market opportunity alone is estimated at >\$350m.

REMSAFE Addressable Market of Major WA Iron Ore Mining and Ports Operations¹ (# of units)



- REMSAFE estimate that the addressable WA iron ore market represents >\$350m market opportunity
- Expected to represent only a small portion of the wider domestic and international market opportunity for REMSAFE

Notes:

1. Estimated equipment count from 6 largest ports and 10 major iron ore mines in WA.

Source: REMSAFE

Coal Market Opportunity

- Significant domestic and international application potential
- Proposal requested by Anglo America SA



Oil & Gas Market Opportunity

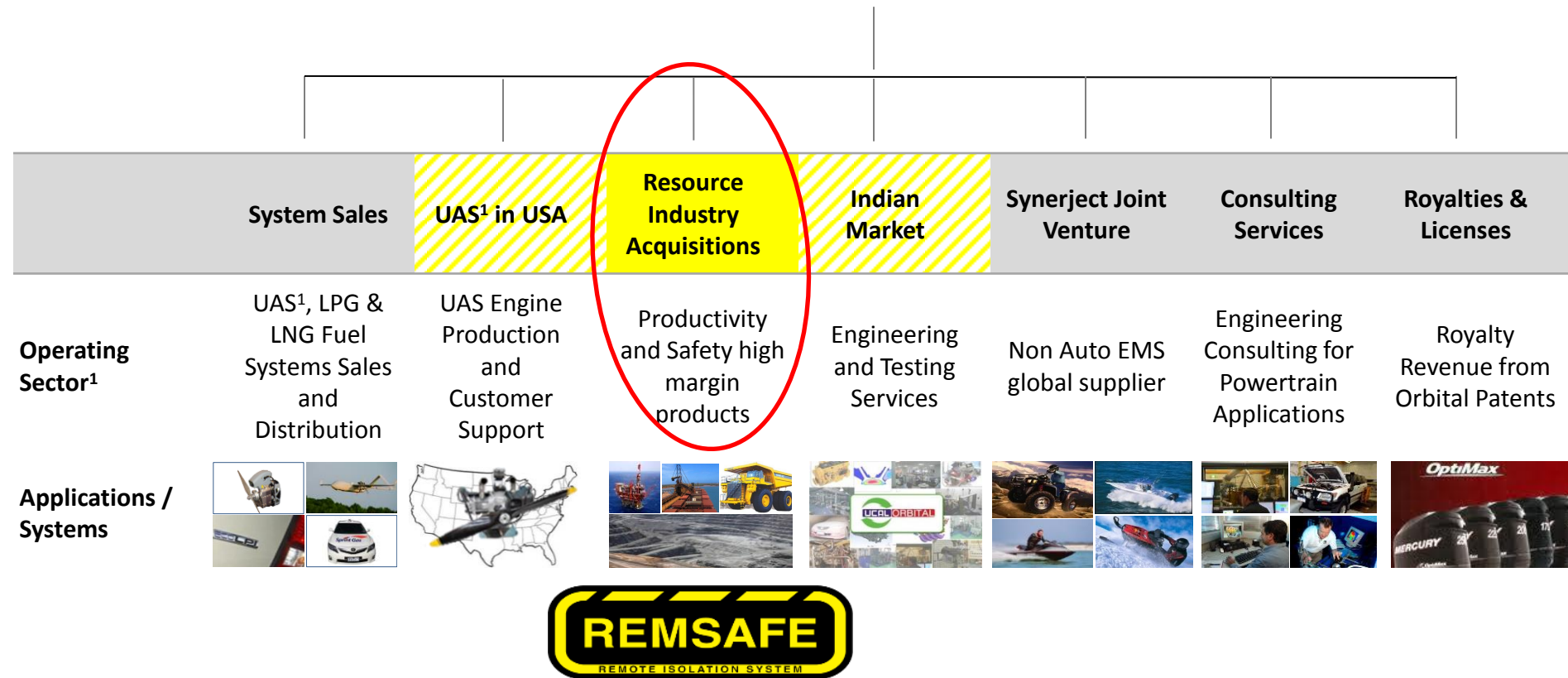
- Potential for REMSAFE application in the global Oil & Gas sector
- Longer dated adoption lead time anticipated



- ✓ **Proven product and service offering – successfully implemented at the WA iron ore operations of BHPB, Rio Tinto and FMG**
- ✓ **Increasingly relevant product for clients in a declining commodity price environment – helps to minimise production downtime**
- ✓ **REMSAFE automates a dangerous manual process – replaces time-consuming, expensive, and potentially hazardous manual processes**
- ✓ **First move advantage with a product that provides a modular, expandable and easy to install option for its clients**
- ✓ **REMSAFE is patented, and has been developed with the input from key clients, with ability to cater for multiple safety integrity levels (SIL)**
- ✓ **Product is exposed to on-going mining production and potential to move into other sectors and commodities (coal, gold, nickel, Oil & Gas)**

Acquisition of REMSAFE is the first step in Orbital's growth through a more diversified structure. Further possibilities include; JV in India, additional new resources sector acquisitions, and a new USA based Unmanned Aircraft System propulsion arm.

ORBITAL Segments



Notes:

1. EMS: Engine Management System. UAS: Unmanned Aircraft System. LNG: Liquid Natural Gas.

Capital Structure

	Current
ASX Code	OEC
Last Price (as at 8 January 2015)	A\$0.31
Ordinary Shares on issue	44.9m
Options on issue (listed and/or unlisted)	2.7m
Market Capitalisation (@ A\$0.31)	A\$13.9m
Cash (as at 30 Jun 14)	A\$4.6m ¹
Debt (as at 30 Jun 14)	A\$8.3m ²
Enterprise Value	A\$17.6m

Major Shareholders (as at 8 Jan 2015)

Entity	# of Shares (m)	Interest (%)
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4.58	10.20%
MULLOWAY PTY LTD	2.66	5.92%
ANNAPURNA PTY LTD	2.00	4.45%
CITICORP NOMINEES PTY LIMITED	1.79	3.98%
J P MORGAN NOMINEES AUSTRALIA LIMITED	1.74	3.87%
DEBUSCEY PTY LTD	1.10	2.45%
BOND STREET CUSTODIANS LIMITED	1.04	2.32%
MR MICHAEL WILLIAM FORD & MRS NINA BETTE FORD	1.00	2.23%
MR JOSHUA LEIGH SWEETMAN	0.80	1.78%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	0.75	1.66%
TOTAL	17.46	38.86%

The top (20) shareholders hold 50% of the shares, (as at 8 January 2015)

Share Price / Volume History



Directors / Senior Management

Dr Mervyn Jones	Chairman, Independent Non-Executive Director
Terry Stinson	Managing Director & Chief Executive Officer
Dr Vijoleta Braach - Maksvytis	Independent Non-Executive Director
John Welborn	Independent Non-Executive Director
Dr Geoff Cathcart	Chief Technical Officer
Ian Veitch	Chief Financial Officer and Company Secretary

**Contact Orbital, or visit the website for further
information www.orbital.com.au**

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