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Orbital boosts stake in REMSAFE

- Orbital has provided a working capital investment to REMSAFE of \$1 million following the successful acquisition of a 50% stake in the business
- As a result, Orbital's equity share in REMSAFE will increase to a majority controlling shareholder interest of 55%
- REMSAFE's working capital position will be further supported by Commercialisation Australia Grant funding which is provided by the Commonwealth Government for milestones related to the development of the REMSAFE product
- The REMSAFE business is positioned for growth with an immediate focus on building sales volume

Orbital Corporation Limited ("Orbital" or "the Company")(ASX:OEC) is pleased to announce it has provided REMSAFE Pty Ltd ("REMSAFE") with \$1 million of working capital required to complete the development program and to fund an aggressive marketing plan. Funding will also support enhancing the REMSAFE Intellectual Property portfolio, targeted at protecting the unique product technology while increasing the value of the product and opening up opportunities for new licensing and royalty business models. As a result of the working capital investment Orbital's equity share in REMSAFE will immediately increase from 50% to a majority share of 55%, with Mr Michael Lane, the founding inventor of REMSAFE, holding the minority 45% share. With the increase in equity share, Orbital will have clear management control and will consolidate REMSAFE revenue and profits. REMSAFE will continue to be led by Mr Michael Lane as Managing Director who will also join the senior management group at Orbital and will report directly to Orbital's CEO and Managing Director, Mr Terry Stinson.

In addition to the working capital provided by Orbital, REMSAFE has approved grant funding as part of the Commercialisation Australia Grant Project of more than \$1 million in relation to the development of the REMSAFE product. The grant funding is provided as a percentage of approved eligible expenditure and is receivable by REMSAFE prior to 30 September 2015, subject to the achievement of established milestones and various reporting requirements.

The Commercialisation Australia Program is a competitive, merit-based assistance programme delivered by AusIndustry which provides grant assistance to Australian companies and entrepreneurs who are developing an innovative product or service in the fields of engineering, biotechnology, clean technology, and manufacturing. The grant funding is provided to accelerate the business building process for a business looking to commercialise innovative intellectual property. REMSAFE has developed, and is successfully marketing, a valuable high voltage electrical isolation system which Orbital believes has the potential to grow into a significant global business.

The Orbital Board's strategy for growth targets increased sales of the current REMSAFE products domestically and internationally. In parallel, the business development and applications teams will be expanded to simultaneously pursue Oil & Gas applications and target other industries where REMSAFE offers a compelling value proposition.

The Company's immediate focus for REMSAFE is to deliver a seamless integration of the ongoing product development process while insuring that existing sales orders are delivered on time and exceed customer expectations. Orbital has already developed near-term plans to increase marketing and aggressively pursue new orders from the existing local customer base which includes BHP-Billiton Limited, Rio Tinto Limited, and Fortescue Metals Group Limited as well as exploring the domestic market potential in the Queensland coal industry, and other domestic above ground and underground mineral resources opportunities.

Mr Michael Lane stated "The funding provided by Orbital and through the Commercialisation Australia Grant is great news for REMSAFE and opens up potential to really grow our market. Orbital's support provides the ideal opportunity to position REMSAFE as a unique and compelling product that delivers benchmark customer productivity and safety supported by an aggressive marketing strategy".

Mr Terry Stinson added "The REMSAFE business is positioned for growth and we now need to deliver by building the order book, expanding into new markets, and developing the product into a global leader. REMSAFE is already proving to be the right investment decision for Orbital and a key future driver of the Orbital Board's commitment to the creation of shareholder value".

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About Orbital

Orbital is an international developer of innovative technical solutions for a cleaner world. Orbital provides innovation, design, product development and operational improvement services to the world's producers, suppliers, regulators and end users of engines and engine management systems for application in small unmanned aerial systems, motorcycles, marine and recreational vehicles, automobiles and trucks. Orbital's principal operations in Perth, Western Australia, provide a world class facility with capabilities in design, manufacturing, development and testing of engines and engine management systems. Headquartered in Perth, Western Australia, Orbital stock is traded on the Australian Stock Exchange (OEC).