



ORBITAL®

ASX RELEASE

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Synerject sale: Orbital to receive \$25 million in cash

- Orbital has accepted a cash offer of US\$17.8 million (A\$25.0 million) from Continental for the Company's 30% minority interest in the Synerject joint venture
- The sale agreement with Continental provides for licensing of intellectual property and the future purchase and supply between Orbital and Synerject of services, components and systems
- The sale of Orbital's interest in Synerject does not impact any existing or ongoing royalty revenues Orbital receives from license holders of Orbital technology
- Company transformative transaction which will support and accelerate Orbital's growth strategy

Transaction Details

Orbital Corporation Limited ("Orbital" or "the Company") has accepted a cash offer of US\$17.8 million (A\$25.0 million) from Continental Automotive Systems Inc ("Continental") for the purchase of Orbital's 30% interest in Synerject LLC ("Synerject").

The purchase price of US\$17.8 million will be paid in cash and is expected to be received within 5 days.

The Sale agreement transfers full ownership of Synerject to Continental and preserves the existing cross licensing of intellectual property ensuring the continuity of commercial supply of key services and components between Orbital and Synerject. The transaction does not impact on Orbital's existing royalty revenues from other license holders or prevent future licensing arrangements.

Orbital, as part of the Company's new growth strategy, has been actively exploring opportunities to unlock the significant value represented by the Company's 30% joint venture interest in Synerject. The sale provides Continental with 100% ownership of Synerject and will allow Orbital to focus on its high growth business opportunities.

Synerject – an Orbital success story

Synerject is the world's largest independent supplier of engine management systems and fuel systems to the non-automotive market. The business was formed in 1997 as a joint venture between Orbital and Continental to fill an emerging need in non-automotive markets for advanced engine management systems and fuel systems. Synerject's first customer was Mercury Marine through the supply of Orbital's FlexDI™ systems and expanded to many other products, customers, and applications. The Synerject business started in Perth, based on innovative Orbital technology developed in Western Australia, and grew to become a global company with production plants and regional offices in Asia, Europe and the United States, providing both onsite and regional support to its local and global customers.

The Synerject business represents the successful commercialisation of Orbital generated innovative technology. Orbital intends to continue to use the Company's core engineering expertise to identify, innovate and develop new high value businesses that can replicate the Synerject model and success story.

Transformative Transaction

The sale of the Company's 30% joint venture interest in Synerject and the receipt of \$25.0 million in cash is a transformative transaction for Orbital.

The cash proceeds will provide Orbital with a significant funding boost and the balance sheet strength to leverage emerging opportunities within the Company's UAVE business, REMSAFE, and the Orbital Accelerator. Upon settlement, the Company will consider the opportunity to redeem the Company's existing Convertible Notes in addition to funding existing and new business opportunities.

Balance Sheet strength will support Orbital's focus on building and investing in high growth businesses which are exposed to expanding global markets and have the potential to drive strong shareholder returns.

Mr. Terry Stinson, Managing Director and CEO of Orbital, commented that the transaction was a mutually beneficial and positive conclusion to the successful joint venture with Continental: "Synerject is a global business which grew from our West Australian headquarters and has developed a unique global portfolio of clients who benefit from Orbital's and Continental's expertise in gasoline fuel injection system design, components manufacturing and system integration. Orbital has increasingly become a passive participant in the joint venture and the sale of our stake will allow Continental to focus on aligning Synerject into their wider global business and recapturing revenue and profitability. The significant cash proceeds will provide Orbital with the balance sheet strength to support our UAVE business, REMSAFE, and new Accelerator initiatives."

-ENDS-

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About Orbital

ORBITAL is an innovative industrial technology company.

ORBITAL invents and builds smart technology that delivers improved performance outcomes for our clients in the aerospace, mining & industrial and consumer sectors.

ORBITAL operates on a global scale and is headquartered in Perth, Western Australia. From a world class facility, ORBITAL's innovation magic takes shape – from research and design to development, manufacturing and implementation.

Delivering state-of-the-art products and services within the industrial technology sector is what we do.

ORBITAL's technology leadership is exemplified by the patented REMSAFE remote isolation system for global mining and industrial applications and Orbital's® UAVE business that produces and supplies engine and propulsion systems for unmanned aerial vehicles.