



ORBITAL®

ASX RELEASE

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Orbital successfully exits LPG businesses

- Orbital has sold its interest in Sprint Gas Australia and Orbital Autogas Systems
- Sprint Gas Australia will assume contractual obligations to Ford Australia and will continue to supply Orbital's aftermarket products
- The sale is consistent with Orbital's new growth strategy and the focus on investing in and building high value growth businesses.

Orbital Autogas Systems and Sprint Gas Transaction Complete

Orbital Corporation Limited (ASX: OEC) ("Orbital" or "the Company") is pleased to announce the execution and settlement of sale agreements between Orbital and Sprint Gas (Aust) Pty Ltd ("Sprint Gas Australia") and Boemo Investments Pty Ltd ("Boemo Investments") that finalise Orbital's exit from the LPG market. Under the sale agreements, the Orbital Autogas Systems business has been sold to Sprint Gas Australia and Orbital's interest in Sprint Gas Australia has been sold to Boemo Investments, Orbital's previous joint venture partner in Sprint Gas Australia.

As advised previously (see ASX announcements dated 30 June 2015 "Orbital Growth Strategy Update" and 28 August 2015 "Orbital builds foundation for future growth"), as a result of the declining LPG market and the resulting lack of sustainable profitability Orbital has decided to sell the Company's existing LPG business. The executed sales agreements achieve a successful exit by limiting closure costs to Orbital and by ensuring minimal negative impacts to existing LPG customers and ongoing continuity of supply. The successful exit has been achieved by selling all interests to Boemo Investments, the Company's partners in Sprint Gas Australia. Orbital has assisted with the business restructure including the novation of customer and supplier contracts over to a wholly owned independent Sprint Gas Australia. Sprint Gas Australia has been in the LPG business for over 30 years and will now be more sustainable structured as a smaller private business with combined supplier and customer bases.

Commercial Terms

The commercial terms of the various sale agreements achieving Orbital's exit from the LPG business are summarised as follows:

- Total proceeds to Orbital of approximately \$530,000 including all inventories;
- Payment to be spread over 18 equal monthly instalments providing Sprint Gas Australia with working capital liquidity;
- OAS's Ford contract will be transferred to Sprint Gas Australia and all related inventory will be sold by OAS to Sprint Gas Australia at book value; and

- Other contracts to ensure supply and business continuity, including all aftermarket inventories and the Australian distributorship rights for Vialle products, will be transferred to Sprint Gas Australia at no cost.

The restructuring and sale of the LPG businesses will have minimal impact in Orbital's FY2016 accounts following the impairment charges made in the previous period.

Facilities Closure and Transfer

As a part of the sale and restructure, the OAS business, based in Sydney, has closed and the employees have been made redundant. Select tooling, processes and inventory have been sold to Sprint Gas Australia to facilitate continuity of supply.

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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.

Forward Looking Statements

This release includes forward-looking statements that involve risks and uncertainties. These forward-looking statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements. Actual results and events may differ significantly from those projected in the forward-looking statements as a result of a number of factors including, but not limited to, those detailed from time to time in the Company's Annual Reports. Orbital makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.