



ORBITAL®

Pathway To Rapid Growth

October 2016



Orbital is an innovative industrial technology company

Orbital invents, manufactures and invests in smart technology that delivers improved performance outcomes in the safety & productivity and unmanned aerial vehicle sectors

- 1 Orbital Introduction & Overview
- 2 Orbital UAVE Business
- 3 REMSAFE Business
- 4 Diversification and Growth
- 5 Summary



- 30 June 2016 Highlights:
 - Profit after tax of \$1.2 million from revenue of \$11.7 million
 - Net tangible assets of \$26.0 million
 - Cash balance of \$24.9 million
- UAVE production boosted by new \$12 million order from Insitu-Boeing
- Long term production contract with Insitu-Boeing expected by end of CY2016
- REMSAFE systems installed with BHP Billiton, Rio Tinto and Anglo American
- Orbital has secured 100% ownership of REMSAFE and new management structure in place to drive growth

SHAREHOLDERS

JP Morgan Nominees Australia Limited	31.6%
Board and Management	6.7%

CAPITAL STRUCTURE (OEC.AX)

Share Price (14 Oct 2016)	\$0.93
Fully Paid Ordinary Shares (14 Oct 2016)	77.2 million
Market Capitalisation (14 Oct 2016)	\$71.8 million
Enterprise value (30 June 2016)	\$47.4 million
Cash (30 June 2016)	\$24.9 million
Debt ¹ (30 June 2016)	\$8.3 million
Net Assets	\$31.268 million

1. Debt as at 30 June 2016, relates to a WA Government facility which amortises with repayments increasing annually until 2023

SHARE PRICE



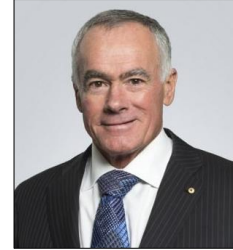
Orbital Board of Directors



Terry Stinson
Chief Executive Officer &
Managing Director



John Welborn
Chairman Independent
Non-Executive Director

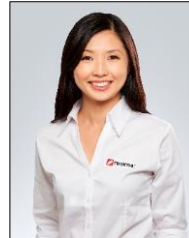


John Poynton AO
Non-Executive
Director

Orbital Management Team



Ian Veitch
Chief Financial Officer &
Company Secretary



Charis Law
Chief Commercial
Officer

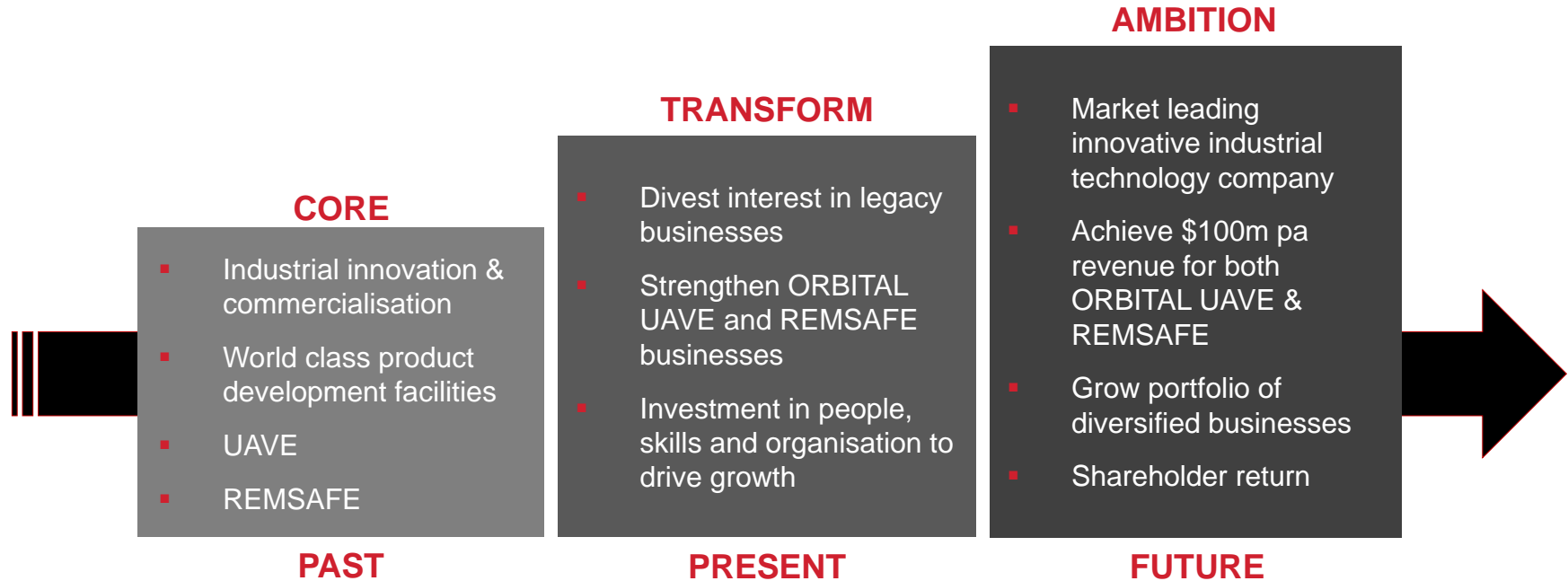


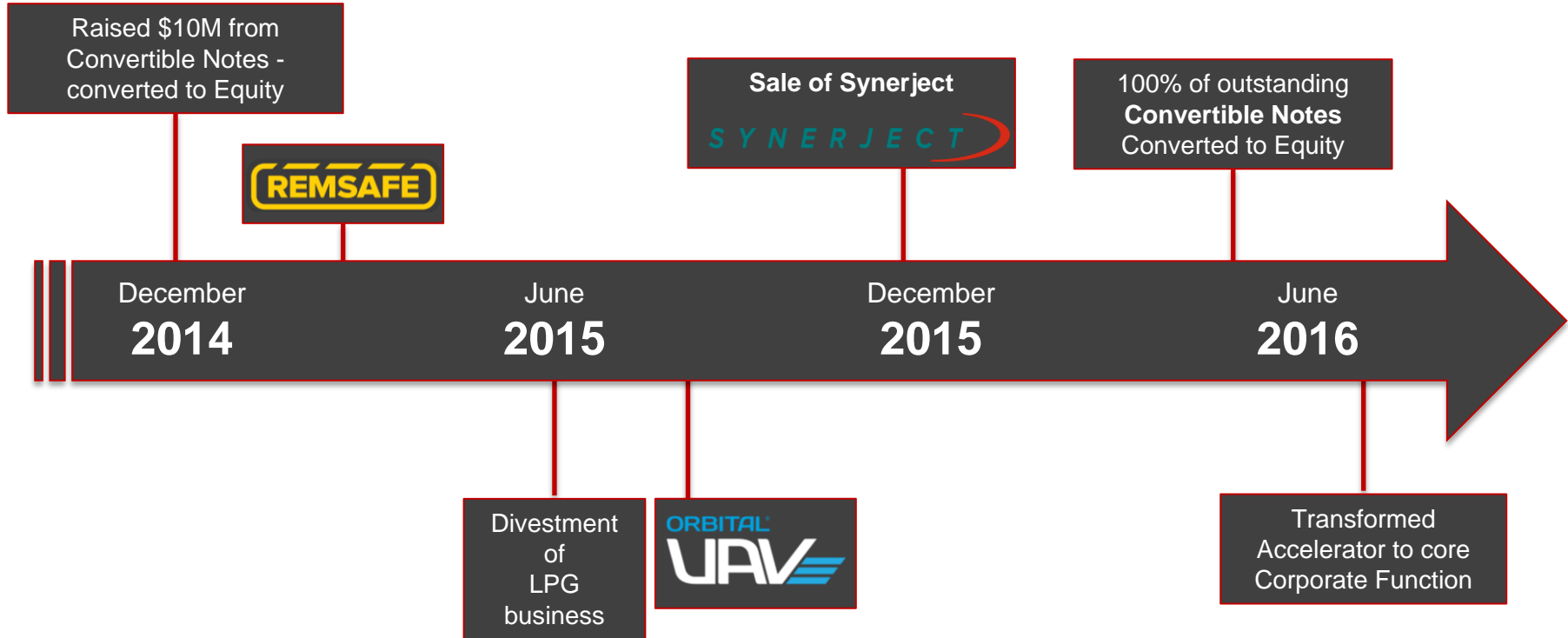
Dr Geoff Cathcart
Vice President UAVE &
Chief Technical Officer



Rob Wilson
Chief Executive
Officer REMSAFE

Orbital, using core businesses, technologies, experience and facilities to achieve aggressive growth targets:





Orbital consists of two core businesses, each positioned for rapid growth:



1. Unmanned Aerial Vehicles

Orbital **UAVE** develops and supplies state of the art propulsion systems for unmanned aerial vehicles


2. Safety and Productivity

Minimising isolation downtime safely to maximise production





*World Leaders in UAV Engines
and Systems*



ORBITAL UAVE is the global leader in the small unmanned aerial vehicle propulsion system market; delivering leading endurance, reliability and power-to-weight advantages.

KEY BENEFITS

ORBITAL UAVE is the global leader in spark ignited, jet fuel propulsion systems for Small UAVs:

Fuel Efficient

Up to 40% better than today's conventional engine

Small Package Size Engine

High power-to-weight ratio

Fuel & Oil Tank System

Light weight

Electronic Control Unit

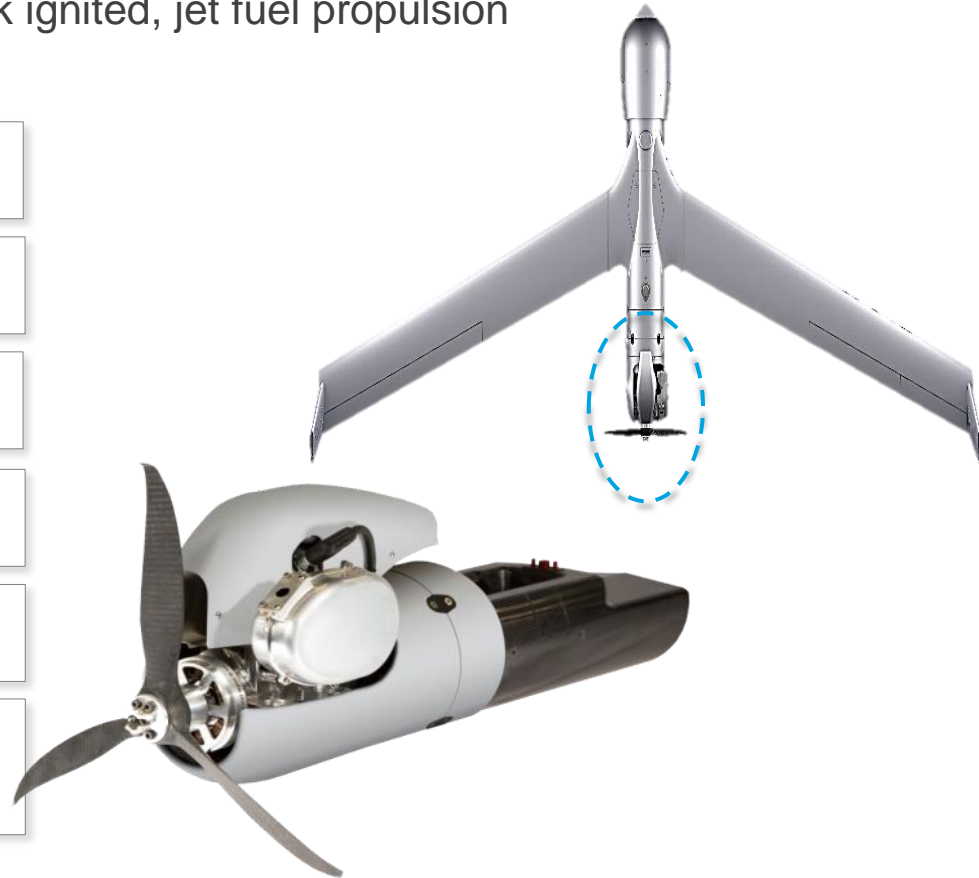
Light weight military specification

Specialised Muffler

Minimises noise and temperature profile



Revolutionary proprietary fuel & combustion system



COMPETITIVE ADVANTAGE



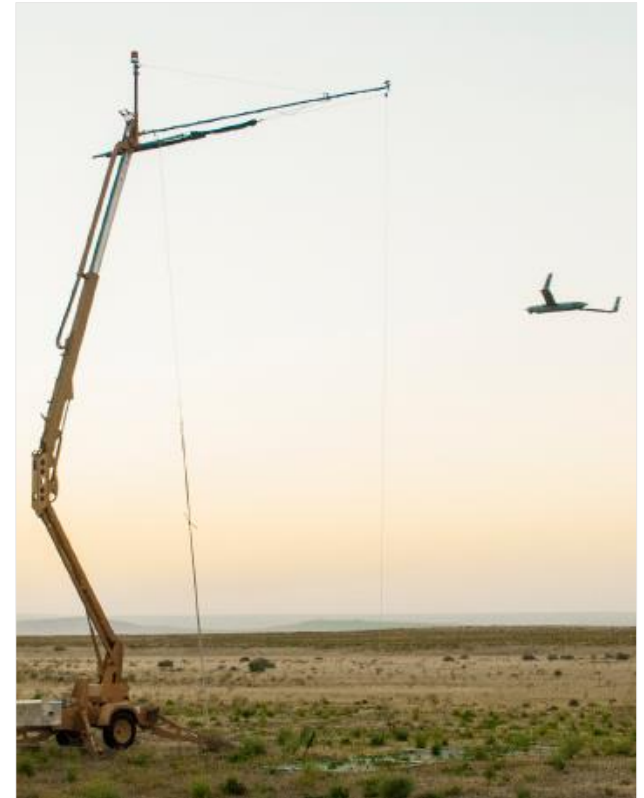
Orbital's patented proprietary **FlexDI™** technology is the difference that delivers the world class heavy fuel performance:

	Turbine	Diesel Compression Ignition	External Heaters etc.	High Pressure Direct Injection	Others/ Experimental	ORBITAL UAV
Low Cost	x	x	✓	x	?	✓
High Power to Weight Ratio	✓	x	✓	✓	?	✓
Cold Start & Operation	✓	x	x	?	?	✓
Fuel Economy	x	✓	x	✓	x	✓
Scalable to TUAS and MALE	✓	✓	✓	x	x	✓
Reliability	✓	✓	x	?	?	✓
Ease of Logistics & Field Deployment	✓	✓	x	✓	?	✓

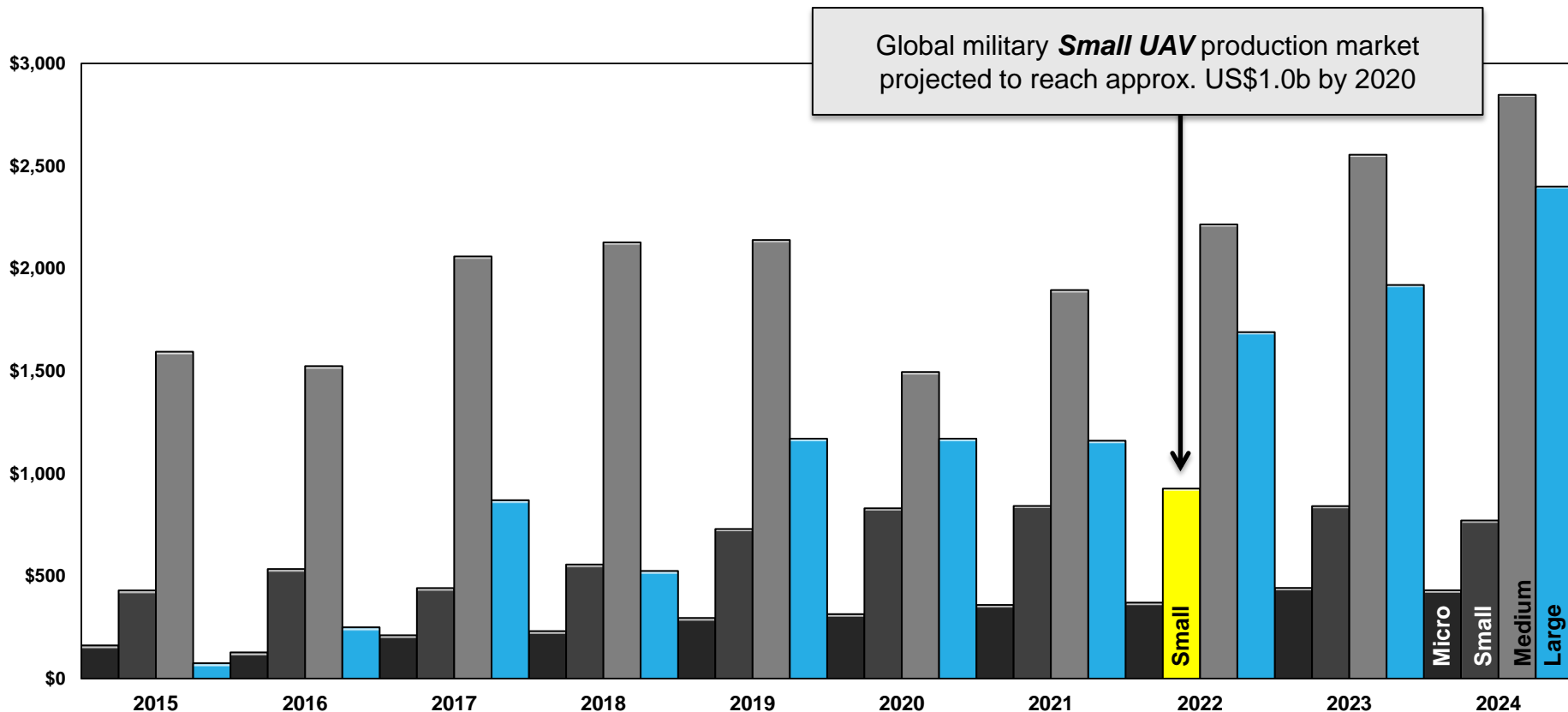
SETTING NEW INDUSTRY BENCHMARKS



- The first heavy fuel engine in its class to successfully complete durability testing over the US FAR 33.49 engine endurance test schedule
- Successful first test flight of the Insitu ScanEagle® UAV using an Orbital UAVE designed and built engine and propulsion system
- Orbital's FlexDi™ technology has been proven to provide the highest level of engine efficiency delivering superior endurance and performance



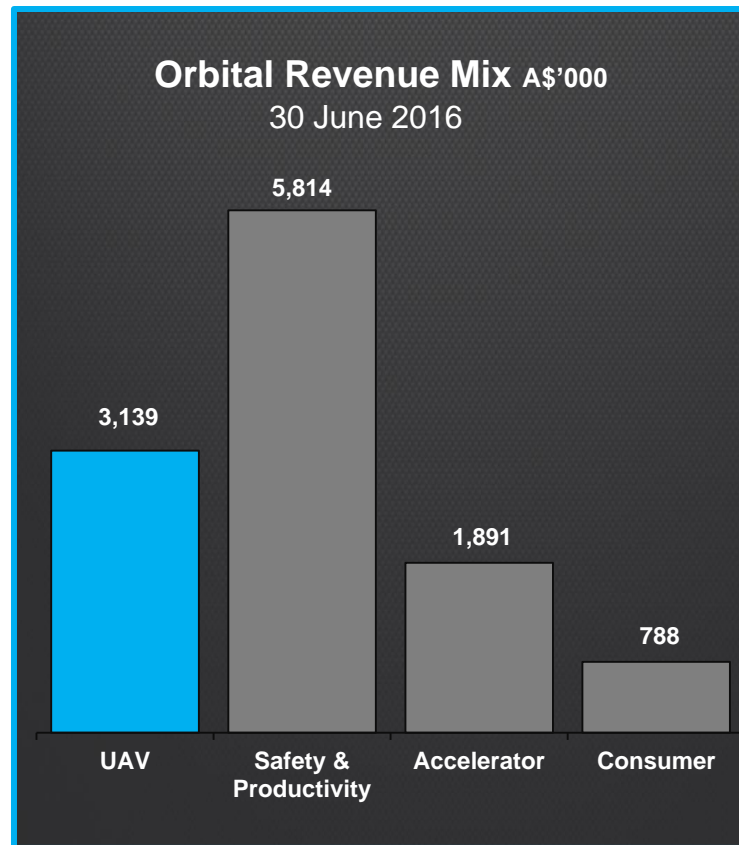
GLOBAL UAV PROJECTED PRODUCTION MARKET



2016 HIGHLIGHTS



- Second \$12 million order received from Insitu Inc.
- First production engines shipped to Insitu in May 16
- Long term production contract with Insitu expected by end of CY2016
- Propulsion systems being developed for VTOL (Vertical Take-Off & Landing)
- Continued sales of Electronics, Fuel Systems, and Components to UAV customers



- Leverage existing Insitu orders to expand market into other UAV classes
- Establish USA based facility for technical support, manufacturing, rebuilds & business expansion
- Continue to set new UAV propulsion benchmarks for performance, reliability and endurance
- Expand current VTOL opportunities and move to production phase
- Undertake aggressive R&D to develop products for new VTOL and other UAV sectors
- Expand into adjacent UAV products through collaboration, JV and or acquisitions



ORBITAL[®]
UAV

“The Insitu-Orbital propulsion system sets a new standard for small UAV propulsion systems and delivers high performance, increased endurance, and enhanced reliability, reducing life-cycle costs for our customers”

Ryan M. Hartman, President and CEO, Insitu Inc., a subsidiary of The Boeing Company



Remote Isolation System

Minimising isolation downtime
safely to maximise production

REMSAFE is a patented and modular isolation system enabling rapid and remote de-energisation of large mining equipment, increasing worker safety and reducing isolation downtime by up to 97%

THE KEY BENEFITS:



SAFETY

Eliminates exposure of workers to arc flash and includes failsafe to ensure isolation is maintained



PRODUCTIVITY

Cut isolation downtime by up to 97% and provides significant cost savings



RETURN ON INVESTMENT

Investment break-even point with **REMSAFE** can be reached rapidly



TAILORED REMSAFE

systems are tailored to site requirements and isolation procedures



SAFETY

- Eliminates risk of arc flash exposure
- Includes failsafe to maintain isolation with interlocking system
- Eliminates human error:
 - Ensures work is completed on correctly isolated equipment
 - Shorter procedures to follow reducing deviation
 - Always isolates correctly and fully
 - Effectively verifies isolation
 - No unauthorised isolations

REMSAFE vs Other Remote Isolation Systems



Feature	REMSAFE	Other Remote Isolation Systems
SIL (Safety Integrity Level) Rated Components	✓	✓
SIL Rated System	✓	✗
Compliance with internationally recognised safety standards	✓	✗
Tailored to meet site based Isolation procedures	✓	✗



PRODUCTIVITY

- Minimises isolation downtime
- Increases plant availability
- Can be operated safely without electricians
- Increases availability of product routes for alternate production or maintenance
- Creates more 'time on the tools' for tasks under isolation
- Reduces rehandling costs



RETURN ON INVESTMENT

Conveyor Reference	Installation date	Number of Isolations to last reading	Pre REMSAFE isolation time (min)	Isolation Time with REMSAFE (min)	Average Annual production time saved (hrs)	Total production time saved to date (hrs)	Potential revenue \$A earned to date*
A	Sep-11	757	40	3	192	934	\$361
B	Jan-12	275	45	3	85	385	\$149
C	Dec-13	112	30	3	38	101	\$39
D	Nov-14	78	20	3	26	44	\$17
E	May-15	44	20	3	20	25	\$10
F	Mar-16	102	20	3	162	58	\$22
G	Mar-16	93	20	3	148	53	\$20

*Potential Revenue Earned based on the following assumptions: 62% Fe CFR , USD58p/t @ USD/AUD 0.75 = AUD77.33p/t. Assumed production of 5,000t p/h

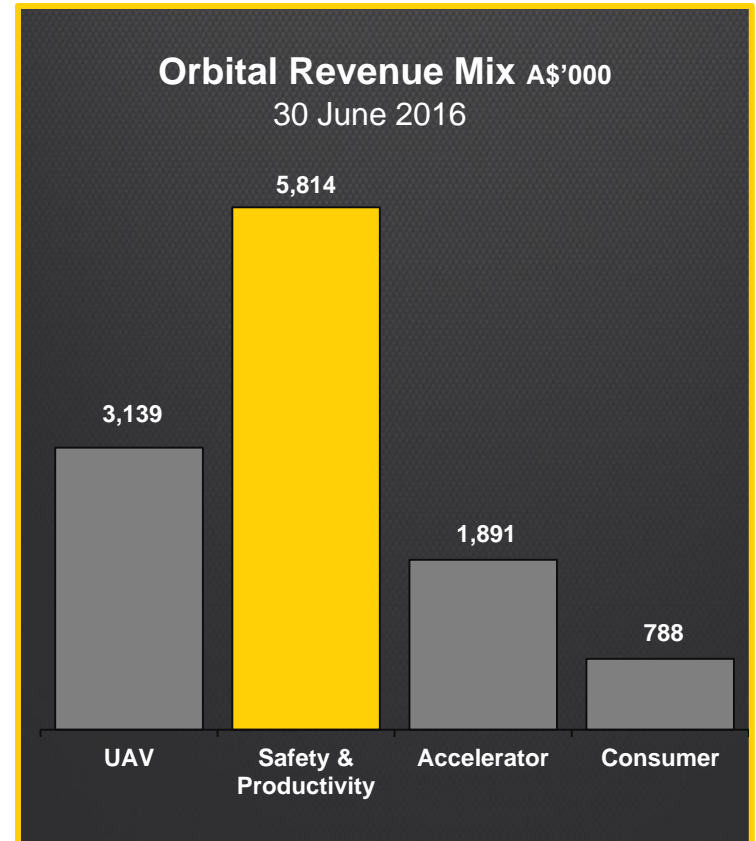


TAILORED

REMSAFE systems:

- Are fully customised
- Integrate into any substation
- Tailored based on individual site requirements
- Risk assessed for each required tasks e.g. tramp metal removal

- 9 systems commissioned since December 2015
- Over 1,500 recorded isolations performed using **REMSAFE** to date
- **REMSAFE** systems installed with BHP Billiton, Rio Tinto and Anglo American
- First overseas application completed for Anglo American in South Africa



- ***Make REMSAFE synonymous with remote isolation***
- Maximise penetration of Australia's \$1.7b critical bulk handling equipment market
- Produce a further refined REMSAFE product with cost reduction of 30%
- Establish partner sales channel with major OEM's
- Expand into new applications
- New rental options
- Continue expansion into new geographical regions



One isolation switch

Two buttons

Three minutes to
complete a verified,
safe, full-energy
isolation to maximise
production





Diversification and Growth

The Orbital Corporate Mergers & Acquisitions function is designed to identify high growth, mid stage, industrial technology opportunities

Mergers and Acquisitions core functions:

- Identifying high growth, mid stage, industrial technology opportunities
- Targeting bolt-on and adjacent acquisitions to expand and compliment Orbital UAVE and REMSAFE businesses
- Expand into new industrial technology sectors to diversify the Orbital portfolio



Orbital is focused on investing in growing businesses in the commercialisation and early operations stage:



Orbital's value-add extends beyond capital investment, utilising global networks & in house engineering capabilities, Orbital paves the way for **rapid growth**

Electronics:

- ECU Hardware
- Software
- Validation & Quality

Design:

- Full Suite of design software including CFD, CAD/CAM & FMEA
- Experience in modifying components & systems per specification

Commercialisation:

- Shared Services Function
- Strategic Planning and Execution
- Funding & Capital Raising
- Partnerships & Strategic Alliances
- Business Development utilising Global Networks
- Intellectual Property

Rapid Prototyping:

- Fully equipped facility for fast turn around and low volume parts manufacturing
- Manual facility's for one off prototypes
- In house electronics for development and coding

Validation:

- Environmental chambers
- Temperature & Vibration Testing
- Component and engine test cells
- Development of validation requirements per spec



- World leaders in UAV engines and propulsion systems
 - 10 patent families & 30+ noted inventions (UAV Specific)
-



- Created to save lives & boost production
 - 13 patent families & 40+ noted inventions
-



- Built into largest global independent non-auto Engine Management System supplier
- Successful exit – realised significant gains



THANK YOU.
Any Questions?

This presentation includes statements looking-forward that involve risks and uncertainties. These 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 presentation to reflect events or circumstances after the date of this release.



ORBITAL®

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