

ORBITAL®

COMPANY UPDATE JULY 2017

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INNOVATION THAT PERFORMS

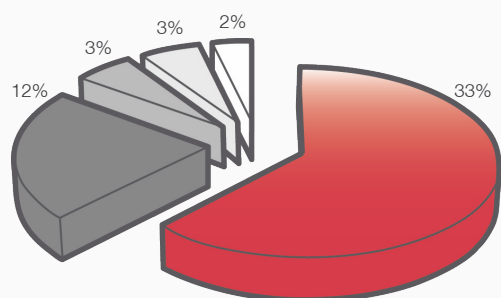
ORBITAL® invents and builds smart technology that delivers improved performance outcomes for our clients in the safety & productivity and unmanned aerial vehicle sectors.

SHARE PRICE & VOLUME



- 01 NEW \$12 MILLION UAV ORDER
- 02 ORBITAL SHIPS FIRST PRODUCTION UAV ENGINES
- 03 UAV BUSINESS TAKING OFF - SECOND \$12.8 MILLION ORDER
- 04 ORBITAL SIGNS NEW UAVE AGREEMENT WORTH UP TO \$120 MILLION
- 05 REMSAFE LAUNCHES MOBILE ISOLATION SYSTEM
- 06 ORBITAL AWARDED ADDITIONAL ENGINEERING PROJECT WITH INSITU

MAJOR SHAREHOLDERS



- JP Morgan Nominees
- CITICORP Nominees Pty Ltd
- Morgan Stanley Australia (Nominee) Pty Ltd
- ANNAPURNA Pty Ltd
- Directors & Management

53% of Total Register

CAPITAL STRUCTURE

SHARE PRICE	\$0.50
FULLY PAID ORDINARY SHARES	\$77.3M
MARKET CAPITALISATION	\$38.6M
CASH & DEPOSITS* (As at 30 June 17)	\$17.9M
DEBT (As at 30 June 17)	\$ 8.1M
NET ASSETS (As at 30 June 17)	\$19.2M

*Cash & trade receivables \$22.1M

PRELIMINARY FINANCIAL RESULTS 2016/17

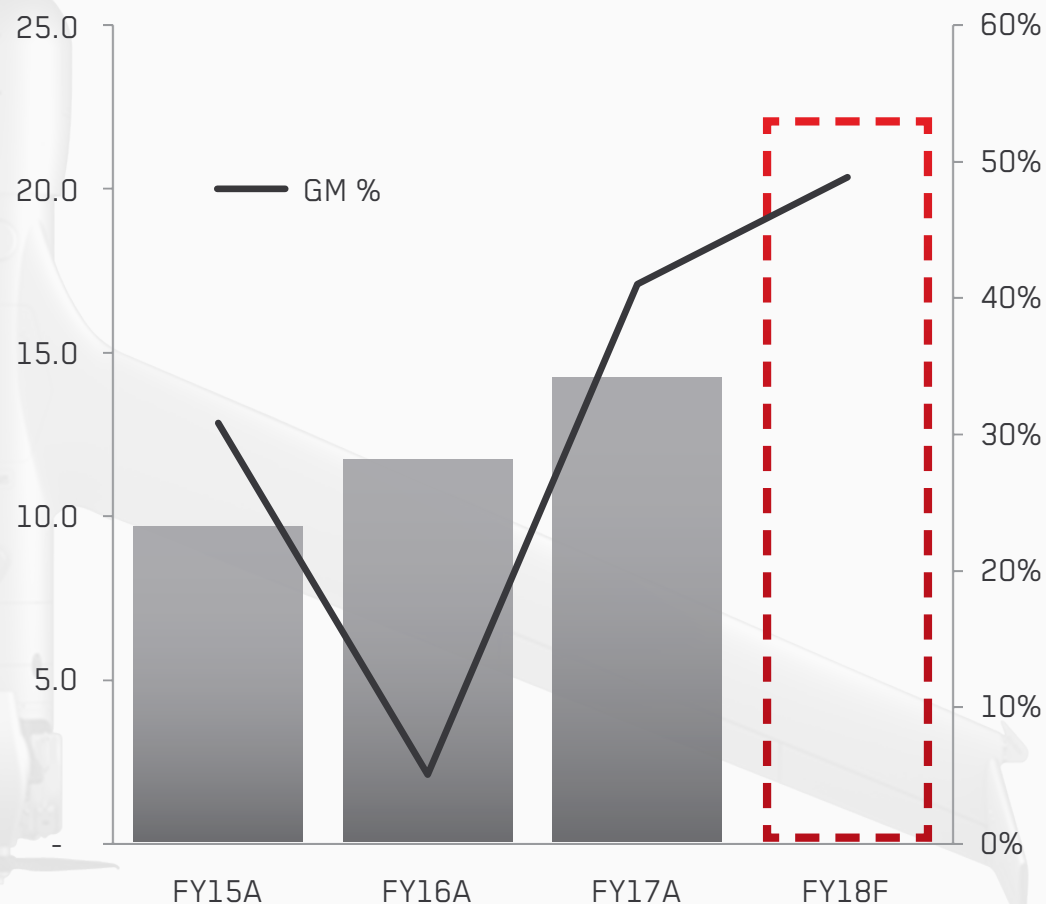
PRELIMINARY RESULTS FY17


\$M	FY17	FY16	FY15
REVENUE	14.3	11.8	9.7
EBITDA*	(6.5)	4.7	1.3
NPAT	(12.4)	1.3	(0.7)
CASH	17.9	26.3	8.0
DEBT	8.1	8.3	17.2
NET ASSETS	19.2	31.2	21.9

* FY17 EBITDA includes refundable R&D grant \$1.9M & loss on investment \$(0.5M)

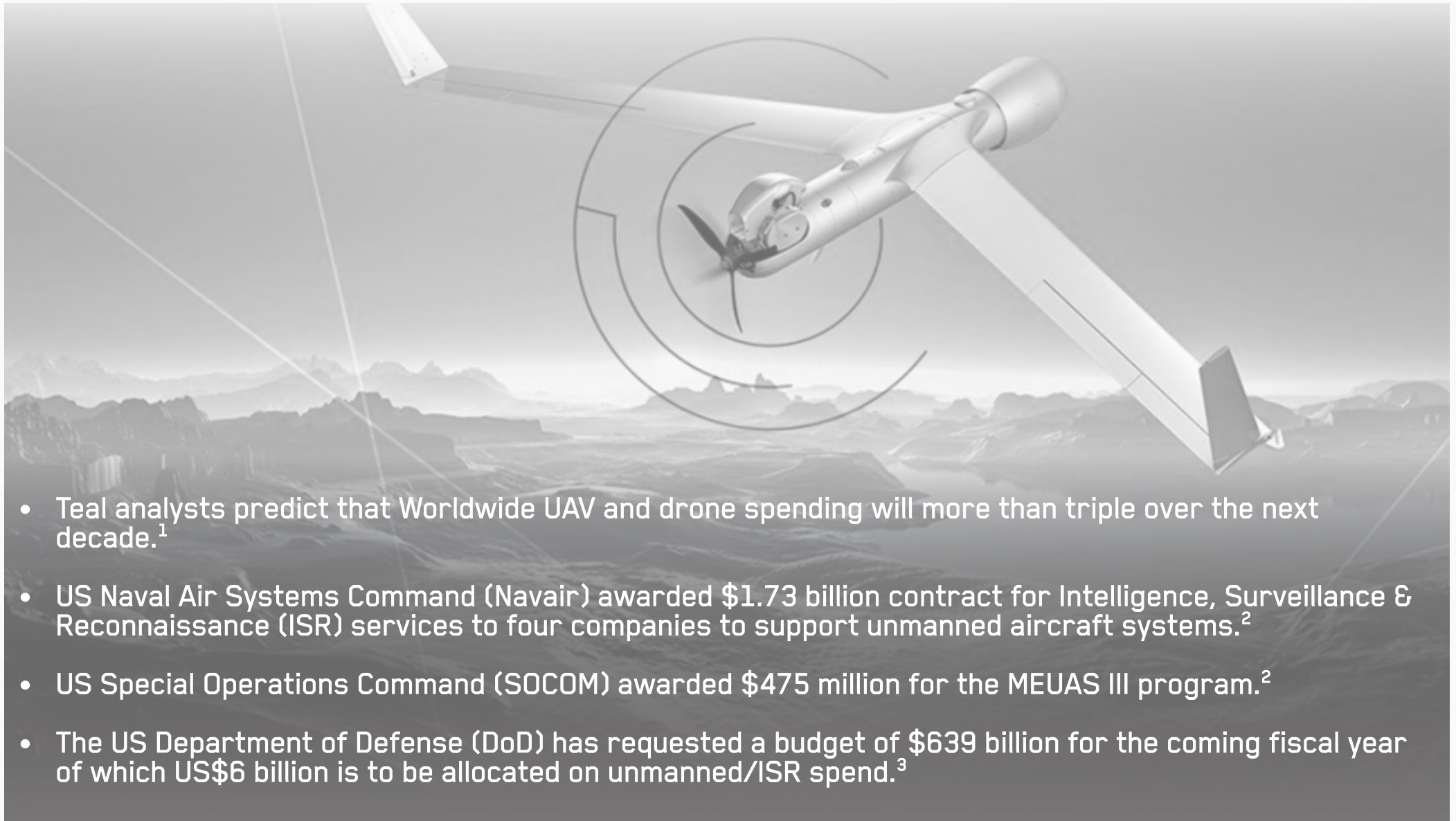
- Cash & Trade Receivables \$22.1M
- REMSAFE Goodwill impairment \$5.2M non-cash
- REMSAFE annualised holding cost reduced from \$3.8M to \$2.4M
- Corporate annualised holding cost reduced from \$5.3M to \$4.5M
- DEBT represents WA Government Loan repayable through to 2025 with current liability \$0.9M & Long term liability \$7.2M

REVENUE & GROSS MARGIN %



- 
- 2016/2017 Loss primarily driven by temporary revenue interruption at Orbital UAVE & market conditions at REMSAFE
 - Positive UAVE market news drives strong market conditions for 2017/18*
 - Talent management strategy delivering material cost and operating improvements
 - Company well funded with \$22.1 million in cash and trade receivables

- Best in class credentials validated by US FAR 33.49 engine endurance test (first in class to do so) and ScanEagle® test flight success
- First Insitu order of \$12 million received August 2015 followed by second \$12 million order September 2016
- Long Term Supply Agreement (LTA) secured with Insitu in December 2016 has strengthened Orbital UAVE's outlook
- Additional Engineering contract awarded by Insitu in June 2017



- Teal analysts predict that Worldwide UAV and drone spending will more than triple over the next decade.¹
- US Naval Air Systems Command (Navair) awarded \$1.73 billion contract for Intelligence, Surveillance & Reconnaissance (ISR) services to four companies to support unmanned aircraft systems.²
- US Special Operations Command (SOCOM) awarded \$475 million for the MEUAS III program.²
- The US Department of Defense (DoD) has requested a budget of \$639 billion for the coming fiscal year of which US\$6 billion is to be allocated on unmanned/ISR spend.³

1. Teal Group Corporation - Oct 16 UAS Vision - July 17
2. US DoD - Contracts Press
Operations - June 17 US DoD Budget
Overview Fiscal Year 2018 - May 17
3. GovWin Market Analysis - Feb 17

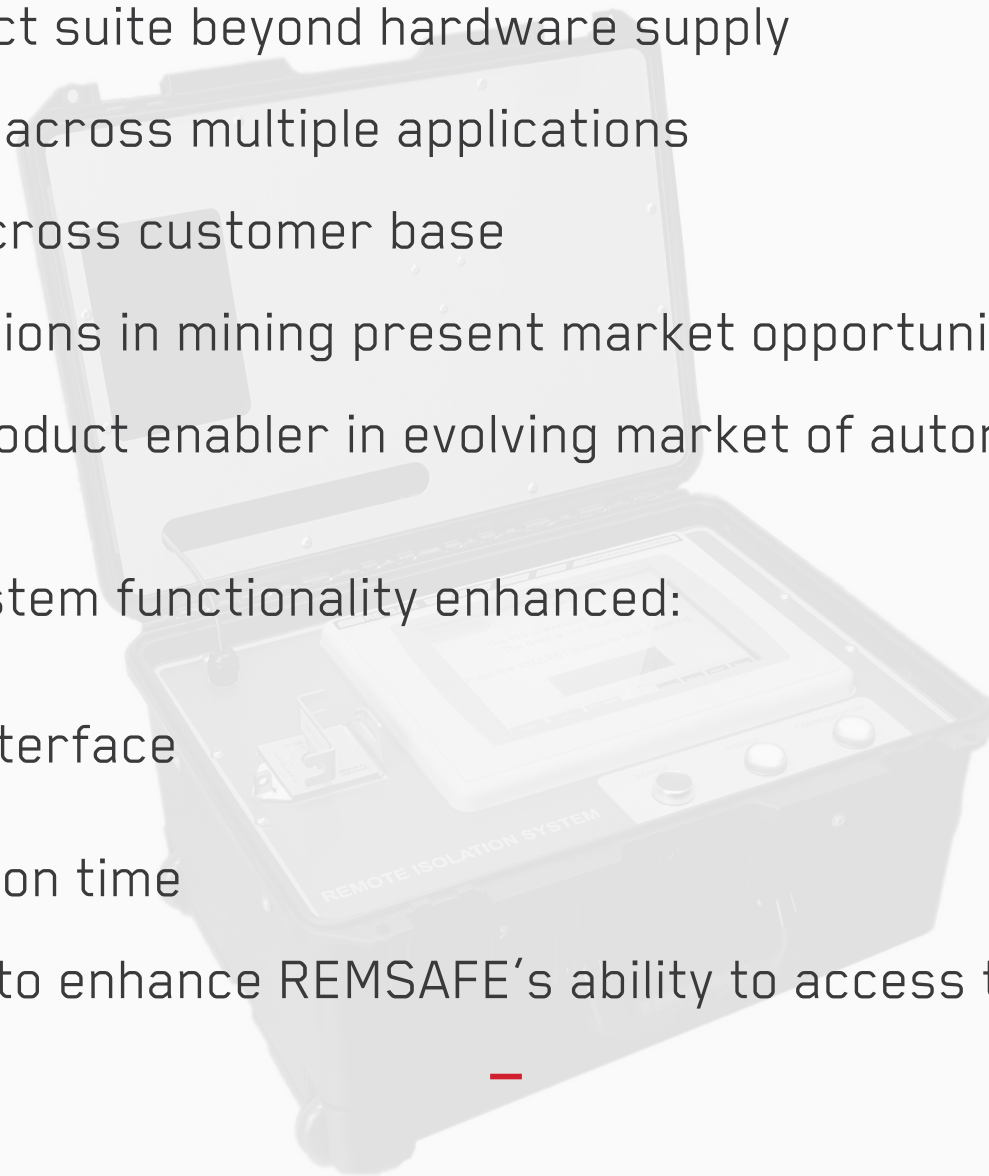


CAPITALISE OPPORTUNITIES

- US expected to dominate the UAV market followed by Europe & Asia
- OEC is well positioned with US localisation strategy
- Closer collaboration and engagement with major clients
- Enhance delivery logistics and responsiveness of technical support
- Expand company footprint to centre of excellence for UAV, Aerospace and Defense technology
- Provide a base to capitalise on business acquisitions and new market opportunities



- Expansion of product suite beyond hardware supply
- Experts in isolation across multiple applications
- Increased profile across customer base
- Autonomous operations in mining present market opportunities
- REMSAFE Mobile product enabler in evolving market of autonomous equipment & operations
- REMSAFE Gen 5 system functionality enhanced:
 1. smaller footprint
 2. simplified user interface
 3. @ lower cost
 4. reduced installation time
- Engaging partners to enhance REMSAFE's ability to access the market



BOARD OF DIRECTORS



TERRY STINSON
Chief Executive Officer & Managing Director



JOHN WELBORN
Chairman
Non-executive Director



STEVE GALLAGHER
Non-executive Director

MANAGEMENT TEAM



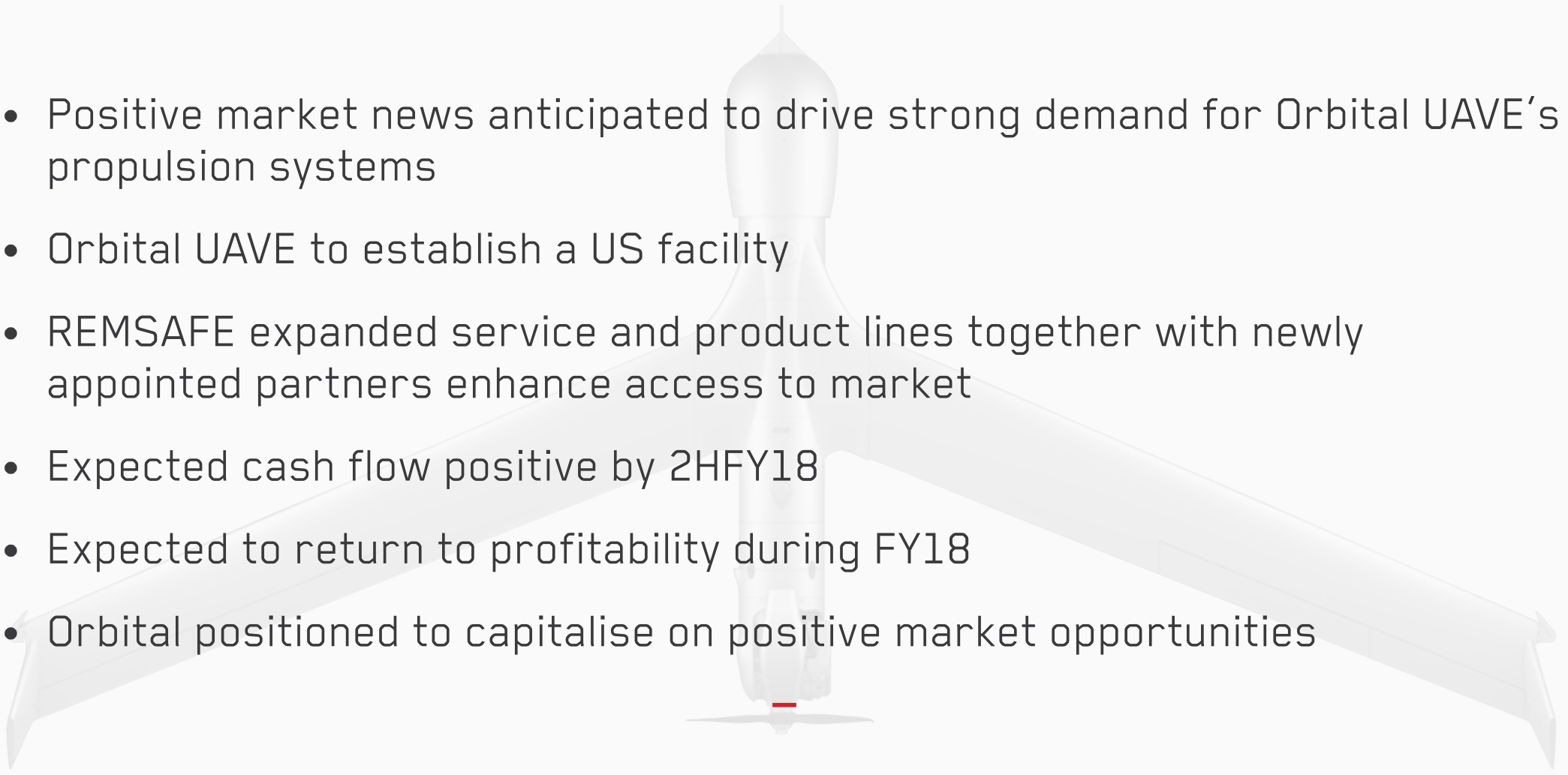
TODD ALDER
Chief Financial Officer & Company Secretary



DR GEOFF CATHCART
Vice President UAVE & Chief Technical Officer



DR ALASTAIR BACON
UAVE Operations Manager

- 
- Positive market news anticipated to drive strong demand for Orbital UAVE's propulsion systems
 - Orbital UAVE to establish a US facility
 - REMSAFE expanded service and product lines together with newly appointed partners enhance access to market
 - Expected cash flow positive by 2HFY18
 - Expected to return to profitability during FY18
 - Orbital positioned to capitalise on positive market opportunities

- Addressing revenue growth in 2017/2018:
 1. Orbital UAVE: capitalise on positive market news
 2. REMSAFE : transformation through broader product suite and partner relationships
- Leaner organisation with continued talent management to expedite company efficiencies and realise market opportunities
- Expand company footprint in centre of excellence for UAV/Aerospace/Defence to capitalise on market & product opportunities
- Company well funded with \$22.1 Million in cash and trade receivables
- Assessing opportunity to expand on Accelerator initiative with well positioned global fund manager

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INNOVATION THAT PERFORMS

CAUTIONARY STATEMENT

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.

Contact Orbital or visit www.orbitalcorp.com.au

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UAV Business

Article: The Global Military UAV Market 2016-2026 8 March 2017

<http://www.prnewswire.com/news-releases/the-global-military-uav-market-2016-2026-300420637.html>

Article: Worldwide UAV and drone spending to more than triple over next decade, say Teal analysts

<http://www.militaryaerospace.com/articles/2015/08/uav-spending-to-triple-over-next-10-years.html>

Article: Teal Group Predicts Worldwide Military UAS Production Will Total \$70 Billion in Its 2016 UAS Market Profile and Forecast 28 October 2016

<http://www.tealgroup.com/index.php/about-teal-group-corporation/press-releases/132-teal-group-predicts-worldwide-military-uas-production-will-total-70-billion-in-its-2016-uas-market-profile-and-forecast>

Document: United States Department of Defense Budget Overview Fiscal Year 2018 Budget Request.pdf 12 May 2017

<http://comptroller.defense.gov/Budget-Materials/Budget2018>

US Department of Defense Contacts Press Operations Release No. CR-117-17 19 June 2017

<https://www.defense.gov/News/Contracts/Contract-View/Article/1219170/>

Article: Unmanned/ISR Implications of the Rebuilding the U.S. Armed Forces Presidential Memo 8 February 2017

<https://iq.govwin.com/neo/marketAnalysis/view/1859?researchTypeld=1>

Article: U.S. Military Budgets More for Small Unmanned Aircraft Services 5 July 2017

<http://www.ainonline.com/aviation-news/defense/2017-07-05/us-military-budgets-more-small-unmanned-aircraft-services>

Article: New Innovations in Propulsion Systems Driving the UAV Propulsion System Market 11 July 2017

<https://bisresearch.com/news/new-innovations-in-propulsion-systems-driving-the-uav-propulsion-system-market>

Article: Philippines' ScanEagle Delivery Set for Autumn 6 July 2017

<http://www.uasvision.com/2017/07/06/philippines-scanagle-delivery-set-for-autumn/>

<http://www.ainonline.com/aviation-news/defense/2017-07-05/us-military-budgets-more-small-unmanned-aircraft-services>

<https://washingtontechnology.com/articles/2017/06/09/navy-sea-land-isr-contract.aspx>