



ORBITAL®

ASX RELEASE

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Significant UAVE Delivery Milestones Achieved

HIGHLIGHTS:

- Shipments of the initial A\$12 million batch of ScanEagle N20 propulsion systems to Insitu (Boeing) have been completed
- Orbital has achieved the performance milestones specified by Insitu within the A\$800,000 N20 propulsion system engineering contract, delivering the targeted power improvements and weight reduction enhancements
- Assembly and shipment of Orbital's lighter and more powerful Mark II N20 propulsion systems has commenced under the Insitu-Orbital Long Term Supply Agreement

Shipments of the initial A\$12M batch of N20 propulsion systems completed

The successful delivery of this N20 production batch is a major milestone in the relationship between Orbital and Insitu and confirms Orbital's position as a global leader in tactical Unmanned Aerial Vehicles (UAV) propulsion systems. Orbital will provide engine rebuild, spares and support services for these propulsion systems in addition to production and supply of the Mark II N20 propulsion systems covered under the Insitu-Orbital Long Term Supply Agreement contract.

Engineering contract performance milestones achieved

In June 2017 Insitu awarded an engineering contract to Orbital to deliver performance enhancements to the N20 propulsion system (refer ASX announcement dated 13 June 2017). Orbital is pleased to announce the program has delivered additional system enhancements designed to provide reductions in overall lifecycle costs as part of the successful achievement of the weight, power and torque improvement milestones identified within the contract.

CEO & MD Todd Alder said, "The delivery of this program to exacting customer requirements and timescales provides further confidence in Orbital's strength and capability as a leading innovative supplier of premium UAV propulsion systems".

Assembly and shipment of Mark II N20 propulsion systems under the Long Term Supply Agreement

In December 2016, Orbital announced a Long Term Supply Agreement signed with Insitu for the manufacture and supply of UAV propulsion systems valued at up to A\$120 million (refer ASX announcement dated 23 December 2016). Assembly and shipment of the lighter and more powerful Mark II N20 propulsion systems covered under the Long Term Supply Agreement has now commenced.

Production of the Mark II N20 propulsion systems, incorporating enhancements developed during the N20 engineering program, have now commenced at Orbital's dedicated UAV production facility in Balcatta, Perth.

Shipments of the enhanced N20 propulsion system, into the Long Term Agreement contract with Insitu (Boeing), signals the Company's ongoing and strengthening relationship with one of the world's leading suppliers of tactical UAVs into both military and commercial markets.

The enhanced N20 propulsion systems will provide additional capability to the Insitu UAV platforms aimed at delivering superior performance and reliability in support of their evolving customers' requirements.

The Long Term Supply Agreement signed between Insitu and Orbital in December 2016 provides the pathway to expanded volumes and sustained production, delivering the best value to Insitu while providing Orbital with the platform for growth.

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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.