



ASX ANNOUNCEMENT

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OEC SIGNS UP NEW CUSTOMER

Orbital UAV to support Skyways' unmanned cargo transportation program for US Navy



Skyways has been selected by US Navy to demonstrate long-range naval ship-to-ship and ship-to-shore cargo transport

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company') is pleased to announce it has signed a Memorandum of Understanding ('MoU') with Texas-based Skyways, an emerging leader in unmanned cargo transport.

Under the terms of the MoU, Orbital UAV will deliver a pre-production, heavy fuel engine to Skyways for integration into the company's next generation unmanned air system (UAS) and subsequent flight testing.

"Working with Skyways represents an exciting new development within the unmanned market for the Company," said Todd Alder, CEO and Managing Director of Orbital UAV.

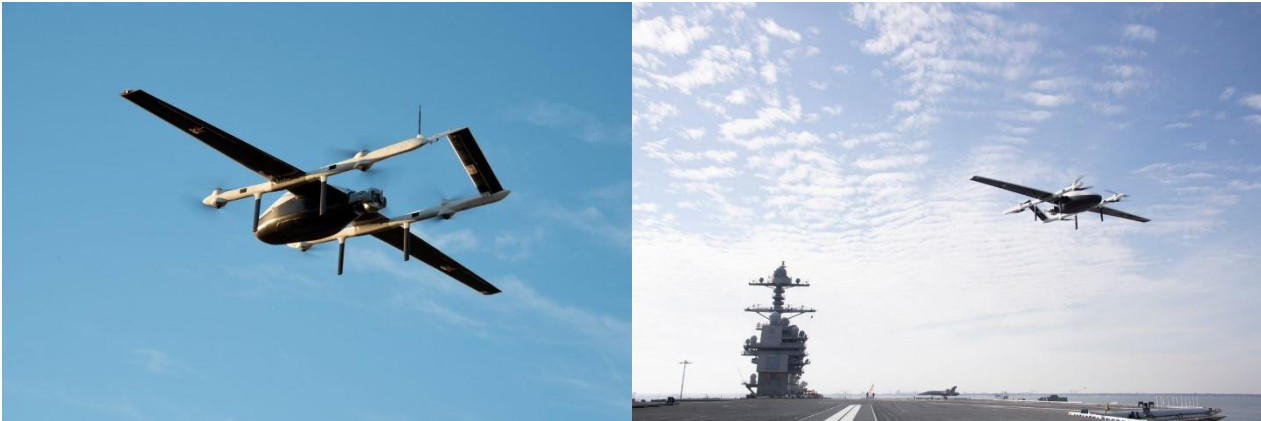
"Skyways has established itself at the forefront of unmanned cargo transportation for the US Navy – a growing and critical requirement within the service. Skyways continues to develop its platform to meet challenging requirements, including the platform's ability to run efficiently on heavy fuel," said Mr Alder.

[Skyways - A pioneer and emerging leader in UAV cargo transport](#)

Skyways has been selected by the US Navy's Naval Air Warfare Center Aircraft Division (NAWCAD) to provide a UAS prototype to demonstrate long-range naval ship-to-ship and ship-to-shore cargo transport.

The selection process required industry to demonstrate potentially viable commercial platforms that could autonomously transport a 20-pound (~9kg) payload to a moving ship 230 miles (~370km) away

without refuelling. Of over 65 UAS platforms analysed, NAWCAD selected the Skyways Group-3 UAS platform for further testing and evaluation.



Ship-to-ship & shore-to-ship UAV applications

The United States Naval Air Systems Command (NAVAIR)¹ are investing in unmanned air systems capability and evaluating applications where naval cargo transport requires vehicles that can successfully operate through difficult environments that include heavy winds, open water and pitching vessels at sea. Historic data from US Navy casualty reports show that warships that move to non-mission capable or partially mission capable status often do so due to logistics-related issues like electronics parts or assemblies – 90 per cent of which are logistical deliveries weighing less than 50 pounds (~23kgs).

Transportation of these supplies is currently undertaken by tactical aircraft like the H-60 helicopter and V-22 tilt-rotor aircraft. UAS are seen as a more efficient and cost-effective solution.

“Since being selected by the US Navy last year, we’re continuing to develop our offering to ensure we meet the rigorous demands of ship-to-ship and shore-to-ship logistics,” said Charles Acknin, CEO and Founder of Skyways.

New engine production opportunity for Orbital UAV

Orbital UAV will deliver a heavy fuel pre-production engine to Skyways in the first quarter of calendar year 2022. The engine will be integrated by Skyways into the company’s next generation UAS for extensive flight testing, before being returned to Orbital UAV for evaluation.

The Skyways engine delivery and evaluation program provides Orbital UAV with a new customer opportunity. While completion of the program, as specified in the MoU, will not have a material impact on Orbital UAV’s revenue for the current financial year, the partnership with Skyways represents another opportunity for Orbital UAV to diversify the Company’s customer base and potentially develop new future engine production lines.

This MoU represents further success in Orbital UAV’s customer diversification strategy. The Company’s growing portfolio now includes Boeing-Insitu, Textron Systems, one of Singapore’s largest Defence companies, Northrop Grumman and Skyways.

¹ Source: <https://www.navair.navy.mil/news/Navy-developing-UAS-ship-cargo-resupply/Mon-11092020-1524>
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About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical unmanned aerial vehicles (UAVs). Our design thinking and patented technology enable us to meet the long endurance and high reliability requirements of the UAV market. We have offices in Australia and the United States to serve our prestigious client base.

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. The Company 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.

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