



## ASX ANNOUNCEMENT

15 October 2018

# LONG TERM AGREEMENT EXPANDED

Orbital UAV and Insitu Inc. sign expanded LTA with potential value between A\$120 million and A\$350 million over five years.

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company') is pleased to announce the expansion of its Long Term Agreement ('LTA', the 'Agreement') with Insitu Inc. (Insitu), a wholly owned subsidiary of The Boeing Company.

The Agreement builds on Orbital UAV's existing partnership with Insitu and increases the scope, scale and term of work outlined in the original LTA, signed in December 2016.

The expanded Agreement has a potential value between A\$120 million (US\$90 million) and A\$350 million (US\$262 million) over a period of five years, with the full value of the Agreement dependent on confidential Insitu customer contracts and the volumes identified therein.

The LTA commences with immediate effect and will run until 30 September 2023.

The expanded LTA covers the delivery of multiple propulsion systems and services that will be applied across Insitu's entire range of unmanned aircraft system (UAS) platforms, including:

- The assembly, supply and overhaul of three highly configurable propulsion systems, forming Orbital UAV's Modular Propulsion Solution.
- The assembly, supply and overhaul of two Insitu designed engines – built and serviced from Orbital UAV's new operational facility in Hood River, Oregon, USA.



The propulsion systems included within the expanded LTA will be capable of integrating across Insitu's entire range of world class UAS platforms, including: (clockwise from top left) the Integrator™, ScanEagle2, ScanEagle3, and ScanEagle®.

Orbital UAV is currently working closely with Insitu during the development phase, with delivery of the first units under the expanded LTA due in Q1 2019.



“We are delighted to have signed this revised LTA with our key customer Insitu,” said Todd Alder, CEO and Managing Director of Orbital UAV.

“The increased scope and scale of work within the Agreement demonstrates Orbital UAV’s ability to meet the growing requirements of the rapidly evolving UAS market and represents a key milestone in the Company’s strategy to deliver sustainable growth.

“Orbital UAV’s Modular Propulsion Solution offers the customer improved production lead times, greater volume flexibility, tailored performance applications and guaranteed quality across the range due to the core common components that form the basis of the modularised approach,” he said.

Not only does the LTA cover the delivery of Orbital UAV’s revolutionary Modular Propulsion Solution, it also recognises the win of two (2) additional multi-source awards for the manufacture and assembly of Insitu designed engines.

The two Insitu in-house designed engines – for use in its Integrator™ and ScanEagle® aircrafts – will be assembled, tested and shipped to Insitu from Orbital UAV’s purpose built U.S. facility.

The significantly increased product and service offering to Insitu, outlined in the LTA, recognises the continued growth of the tactical unmanned aerial vehicle market and Orbital UAV’s ability to keep pace with that growing demand.

The Company’s capability to provide customers with increased choice and flexibility in their propulsion system requirements will continue to drive the long term sustainable value of Orbital UAV.

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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.

#### About Insitu Inc.

Insitu Inc. is an industry-leading provider of information for superior decision making. With its headquarters in Bingen, Wash., and offices in the U.S., U.K., and Australia, the company creates and supports unmanned systems and software technology that deliver end-to-end solutions for collecting, processing and understanding sensor data.

#### 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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