

22 October 2018

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Notice of Annual General Meeting

In accordance with the Listing Rules, we attach copies of the following documents which are to be dispatched to shareholders of Orbital Corporation Limited today:

1. Notice of Annual General Meeting;
2. Explanatory Memorandum;
3. Sample Proxy Form; and
4. Electronic communications letter.

Yours faithfully



Roulé Jones
Chief Financial Officer
& Company Secretary



ORBITAL CORPORATION LIMITED
ACN 009 344 058
NOTICE OF ANNUAL GENERAL MEETING - 2018

The Annual General Meeting of Orbital Corporation Limited ("**the Company**") will be held at City of Perth Library and History Centre (Auditorium), 573 Hay Street, Perth, Western Australia on Friday 23 November 2018 at 10.00am (WST) ("**Meeting**").

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9441 2311

**Shareholders are urged to attend or vote by lodging
the proxy form attached to this Notice.**



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The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are to be included in and form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 21 November 2018 at 4.00pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule.

AGENDA

1. Chairman's address and the CEO's Report

2. Annual Report and Reports of the Directors and the Auditors

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2018, which includes the Financial Report, the Directors' Report and the Auditor's Report.

All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2018 on the Company's website at www.orbitalcorp.com.au

3. Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass as a non-binding ordinary resolution with or without amendment:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by Shareholders for the adoption of the Remuneration Report for the year ended 30 June 2018."

Voting Prohibition Statement

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, whose remuneration details are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Annual General Meeting, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the proxy; or
- (b) by the Chairman pursuant to an express authorisation to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.



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4. Resolution 2 – Election of Director – Mr John Welborn

To consider and, if thought fit, to pass as an ordinary resolution with or without amendment:

"That, pursuant to and in accordance with ASX Listing Rule 14.4, article 9.3 of the Constitution and for all other purposes, Mr John Welborn, Director, retires and being eligible, is elected as a Director."

5. Resolution 3 – Election of Director – Mr Kyle Abbott

To consider and, if thought fit, to pass as an ordinary resolution with or without amendment:

"That, pursuant to and in accordance with ASX Listing Rule 14.4, article 9.8 of the Constitution and for all other purposes, Mr Kyle Abbott, having been appointed to the Board since the last Annual General Meeting of the Company, ceases to hold office and being eligible, is elected as Director of the Company."

6. Resolution 4 – Approval of Additional 10% Capacity

To consider and, if thought fit, to pass as a special resolution with or without amendment:

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the Company be granted an additional equity raising capacity equivalent to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if Resolution 4 is passed. At this point in time, there are no potential subscribers to whom Shares may be issued under Resolution 4.

However, the Company need not disregard a vote cast in favour of Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

At the date of this notice, the proposed allottees of the Equity Securities are not known or identified. For a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.



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Further information about all items of business is set out in the Explanatory Memorandum.

By order of the Board

A handwritten signature in dark ink, appearing to read 'Roules'.

Roulé Jones
CFO & Company Secretary
Perth, Western Australia

16 October 2018



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EXPLANATORY MEMORANDUM

1 INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at City of Perth Library and History Centre (Auditorium), 573 Hay Street, Perth, Western Australia on Friday, 23 November 2018 at 10.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

2 VOTING AT THE ANNUAL GENERAL MEETING

The Directors have determined that Shareholders entitled to vote at the Meeting will be the registered holders of Shares (**Registered Shareholders**) on Wednesday, 21 November 2018 at 4.00pm (WST) (**Voting Record Date**).

Shareholders who become Registered Shareholders by acquiring Shares between the date of this Notice and the Voting Record Date and wish to vote at the Meeting by proxy should contact the Company for further information and to request a Proxy Form.

Shareholders who become beneficial Shareholders (**Beneficial Shareholders**) of Shares by acquiring Shares between the date of this Notice and the Voting Record Date and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

You may vote:

- (a) by attending the Meeting in person; or
- (b) by proxy.

Voting in person

To vote in person, attend the Meeting on the date and at the place set out above. If possible, Shareholders are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, so that the Company may check the Shareholders' holding against the Company's share register and note attendance.

All Shareholders are invited and encouraged to attend the Meeting.

Voting by proxy

Shareholders who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions.



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Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00am (WST) on Wednesday, 21 November 2018. Proxy Forms received after this time will not be effective.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

If the Chairman is to act as your proxy in relation to Resolution 1 (Adoption of the Remuneration Report), and you have not given directions on how to vote by completing the appropriate box in the voting directions to your proxy section of the Proxy Form, the Proxy Form expressly directs and authorises the Chairman to cast your votes "for" the relevant resolution. This express authorisation is included because without it the Chairman would be precluded from casting your votes as these resolutions are connected with the remuneration of Key Management Personnel.

The Chairman will vote all undirected proxies in respect of Resolutions 1 to 4 in favour of the relevant resolution.

Appointment of corporate representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- (a) a letter or certificate executed in accordance with the Corporations Act authorising that person to act as the corporate Shareholder's representative at the Meeting; or
- (b) a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

The appointment of a corporate representative must be received by the Company before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representatives are available at

http://www.linkmarketservices.com.au/corporate/forms/holding-management/App_Corp_Rep_140312.pdf or on request by calling 1300 554 474.

Beneficial Shareholders

If you are a Beneficial Shareholder and have received these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.



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3 CHAIRMAN'S ADDRESS AND THE CHIEF EXECUTIVE OFFICER'S REPORT

The Chairman will address the Meeting and the CEO will make a presentation on the performance of the Company during the financial year ended 30 June 2018 as well as other strategic and operational activities of the Company. The Chairman will also allow time at the end of the Meeting to respond to questions raised by Shareholders at or before the Meeting.

4 ANNUAL REPORT

The Corporations Act requires the Company to lay its Annual Report before the Annual General Meeting.

Shareholders are not required to vote on the Annual Report but will be given an opportunity to raise questions and comments on the Annual Report at the Meeting.

The Company's external auditor, Ernst & Young, will also be present at the Meeting and Shareholders will be given the opportunity to ask the auditor questions or raise comments about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

5 RESOLUTION 1 - REMUNERATION REPORT

In accordance with section 250R of the Corporations Act, the Company must put a non-binding resolution to Shareholders to adopt the Remuneration Report at the Company's annual general meeting. Accordingly, Resolution 1 is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of this Resolution and the discussion of the Remuneration Report at the annual general meeting into account when determining the Company's approach to remuneration going forward.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If that resolution is passed, another meeting must be held within 90 days at which all of the Directors (other than the Managing Director and CEO) who were in office at the date of approval of the applicable Directors' Report must go up for re-election.

At the Company's 2017 Annual General Meeting, less than 25% of the votes cast on the resolution to adopt the 2017 Remuneration Report, were voted against the resolution. Accordingly, regardless of the voting on Resolution 1, no spill resolution is required to be held at this Annual General Meeting.

The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors. The Remuneration Report is set out in the Company's Annual Report which is available in Annual Reports section on the Company's website at www.orbitalcorp.com.au.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution and the voting restriction which applies to this Resolution is set out in the Notice.

The Chairman intends to exercise all available proxies in favour of Resolution 1.



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If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

6 RESOLUTION 2 - ELECTION OF JOHN WELBORN AS DIRECTOR

In accordance with ASX Listing Rule 14.4 and article 9.3 of the Company's constitution, a director who has held office for three years or more since last being elected must retire from office.

Mr Welborn, a non-executive Director, retires by rotation in accordance with article 9.3 of the Company's constitution and offers himself for re-election.

Mr Welborn joined the Board in June 2014 and was appointed as Chairman in March 2015. Mr Welborn is the Managing Director and Chief Executive Officer of Resolute Mining Limited (ASX: RSG), an ASX listed gold producer with two operating gold mines in Africa and Australia, effective 1 July 2015.

Mr Welborn is a Chartered Accountant with a Bachelor of Commerce degree from the University of Western Australia and holds memberships of the Institute of Chartered Accountants in Australia (ICAA), the Financial Services Institute of Australasia (FINSIA) and the Australian Institute of Company Directors (AICD).

Mr Welborn is a former international rugby union player with extensive experience in the resources sector as a senior executive and in corporate management, finance and investment banking. He has served on the Boards of a number of charitable organisations, and is a former Commissioner of Tourism Western Australia.

Mr Welborn also serves as a director of Resolute Mining Limited (ASX: RSG) (appointed February 2015) and Equatorial Resources Limited (ASX: EQX) (appointed August 2010).

Board Recommendation

The Board (excluding Mr Welborn) recommends that Shareholders vote in favour of Resolution 2.

7 RESOLUTION 3 - ELECTION OF KYLE ABBOTT AS DIRECTOR

In accordance with ASX Listing Rule 14.4 and article 9.8 of the Company's constitution, a director appointed as an addition to the board must not hold office (without re-election) past the next annual general meeting following the director's appointment.

Mr Abbott, a non-executive Director, retires in accordance with article 9.8 of the Company's constitution and offers himself for re-election.

Mr Abbott joined the Board in May 2018. He is an independent non-executive Director.



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Mr Abbott is a Chartered Accountant with a Bachelor of Commerce degree (Hons 1st) and an experienced aerospace and defense industry executive. Mr Abbott was Managing Director of Western Australian Specialty Alloys (WASA) from 1996 to 2015.

During this period WASA grew from a Western Australian specialised alloy manufacturer to become a major supplier to the global aerospace industry, with key customers in the United States, the United Kingdom and Japan. In 2000, Mr Abbott managed the successful sale of WASA to United States-based Precision Castparts Corporation (PCC), an S&P 500 company. PCC was subsequently acquired by Berkshire Hathaway in 2015.

Board Recommendation

The Board (excluding Mr Abbott) recommends that Shareholders vote in favour of Resolution 3.

8 RESOLUTION 4 - APPROVAL OF ADDITIONAL 10% CAPACITY

8.1 General

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (being shares, options and other securities as defined in the ASX Listing Rules) by a number equal to 10% of the Company's issued capital as at the date 12 months prior to the AGM (**Additional 10% Capacity**). The Additional 10% Capacity is in addition to the Company's capacity to issue Equity Securities equivalent to 15% of the Company's issued capital under ASX Listing Rule 7.1.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the Additional 10% Capacity. The number of Equity Securities to be issued under the Additional 10% Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). The voting exclusion which applies is set out in the Notice under Resolution 4.

8.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the Additional 10% Capacity is subject to Shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

Any Equity Securities issued under the Additional 10% Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice, the Company only has one quoted class of Equity Securities on issue, being Shares.

(c) Formula for calculating Additional 10% Capacity

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:



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(A x D) - E

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (C) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
 - (D) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or date of agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

(d) The Company's capacity to issue shares

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

As at the date of the Notice, the Company has on issue 77,369,210 Shares and has a capacity to issue:

- (i) 11,521,054 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being granted under Resolution 4, 7,729,588 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 8.2(c) above).

(e) Additional 10% Capacity Period

Shareholder approval of the Additional 10% Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),



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or such longer period if allowed by ASX (**Additional 10% Capacity Period**).

8.3 Effect of passing Resolution 4

The effect of passing Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the Additional 10% Capacity Period without using the Company's 15% placement capacity under Listing Rule 7.1. The Additional 10% Capacity will provide the Company with the maximum flexibility to raise funds by issuing Equity Securities without the need for further shareholder approval.

8.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

(a) Minimum issue price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.

(b) Risk of dilution

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Capacity, there is a risk that the economic value and voting power of each Share in the Company may be diluted, including a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of approval at the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or as part of consideration for the acquisition of a new asset.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

The dilution of existing Shareholders due to Additional 10% Capacity

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.27 50% decrease in Issue Price	\$0.54 Issue Price	\$1.08 100% increase in Issue Price
Current Variable "A" 77,295,882 Shares	10% Voting Dilution	7,729,588 Shares	7,729,588 Shares	7,729,588 Shares
	Funds raised	\$2,086,989	\$4,173,978	\$8,347,955
50% increase in current Variable "A" 115,943,823 Shares	10% Voting Dilution	11,594,382 Shares	11,594,382 Shares	11,594,382 Shares
	Funds raised	\$3,130,483	\$6,260,966	\$12,521,933
100% increase in current Variable "A" 154,591,764 Shares	10% Voting Dilution	15,459,176 Shares	15,459,176 Shares	15,459,176 Shares
	Funds raised	\$4,173,978	\$8,347,955	\$16,695,910

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the Additional 10% Capacity.
- (ii) No options of other securities are exercised into shares before the date of the issue of the equity securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Capacity, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the Additional 10% Capacity consists only of Shares. If the issue of Equity Securities includes convertible securities, it is assumed that those convertible securities are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.



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- (vii) The issue price is \$0.54, being the closing price of the Shares on ASX on Monday, 15 October 2018, being the last trading day before this document was finalised.
- (viii) The issue price of the Additional 10% Capacity used in this table does not take into account discount to market price (if any).

(c) **Period for issue of Equity Securities**

The Company will only issue the Equity Securities during the Additional 10% Capacity Period.

(d) **Purpose for which the Equity Securities may be issued**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) issue for non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration; or
- (ii) issue for cash consideration for the acquisition of new businesses or investments (including expenses associated with such acquisition), and/or general working capital.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Capacity. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The subscribers under the Additional 10% Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the subscribers under the Additional 10% Capacity will be the vendors of the new assets or investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A where any Equity Securities are issued.



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(f) **Equity Securities issued in previous 12 months**

In the 12 months preceding the date of this Notice the Company issued a total of 1,927,701 Equity Securities which represent 2.48% of the total number of Equity Securities on issue as at 23 November 2017, being 77,795,882 Equity Securities. The Equity Securities issued in the preceding 12 months were as follows:



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Date of Issue	Number of Company Equity Securities issued	Class of Equity Security issued	Issued to or basis of issue	Issue price & discount (if any) on closing market price on date of issue	Amount Raised, Use of Funds or Non-Cash Consideration
7 Dec 2017	73,328	Shares	Issue of shares to 40 eligible employees in accordance with the terms of the Employee Share Plan. Shares issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company.	Nil	N/A
29 May 2018	612,123	Performance Rights	Issue of Performance Rights to eligible employees in accordance with the terms and conditions of the Employee Incentive Plan. The terms of these Performance Rights are summarised in the notice of meeting in respect of the annual general meeting held on 27 October 2017.	Nil	N/A
29 May 2018	595,000	Performance Rights	Issue of Performance Rights to Mr Todd Alder in accordance with the terms and conditions of the Employee Incentive Plan. The terms of these Performance Rights are summarised in the notice of meeting in respect of the annual general meeting held on 27 October 2017.	Nil	N/A
29 May 2018	647,250	Performance Rights	Issue of Performance Rights to Mr Todd Alder in accordance with the terms and conditions of the Employee Incentive Plan. The terms of these Performance Rights are summarised in the notice of meeting in respect of the general meeting held on 23 May 2018.	Nil	N/A



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(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice for Resolution 4. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8.5 Proxy votes

The Chairman intends to exercise all available proxies in favour of Resolution 4.

8.6 Board Recommendation

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.



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SCHEDULE 1 – DEFINITIONS

\$ means Australian dollar.

Additional 10% Capacity has the meaning given in section 8.1 of this Explanatory Note.

Additional 10% Capacity Period has the meaning given in section 8.2 of this Explanatory Note.

Annual General Meeting or **AGM** means the annual general meeting of the Company as described in the Notice of Meeting.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2018.

Auditor's Report means the auditor's report on the Company's annual report for the year ended 30 June 2018.

ASX means the Australian Securities Exchange.

Board means the board of Directors.

CEO means the chief executive officer of the Company.

Chairman means the person appointed to chair the Meeting, or part of the Meeting, convened by the Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Orbital Corporation Limited ABN 32 009 344 058.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Employee Incentive Plan means the employee incentive plan approved by Shareholders on 27 October 2017.

Employee Share Plan means the existing employee share scheme of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which form part of the Notice of Meeting.

Key Management Personnel has the meaning given in section 9 of the Corporations Act.

Listing Rules means the listing rules of ASX.

Managing Director means the managing director of the Company.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and the Proxy Form.

Performance Right means the right to acquire a Share upon the satisfaction of certain rights under the Employee Incentive Plan.

Proxy Form means the proxy form attached to the Notice.



NOTICE OF 2018 ANNUAL GENERAL MEETING

Orbital Corporation Limited

ABN 32 009 344 058

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a Shareholder of the Company

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Orbital Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Orbital Corporation Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Friday, 23 November 2018 at the City of Perth Library and History Centre (Auditorium), 573 Hay Street, Perth, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).


The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr John Welborn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Mr Kyle Abbott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Additional 10% Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Wednesday, 21 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Orbital Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* in business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communications via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



Dear Valued Shareholder,

I notice that you currently receive hard copy correspondence from Orbital Corporation Limited (OEC).

OEC strongly recommends receiving all documents via email correspondence in order to help the environment and reduce printing and mailing costs.

If you are happy to receive correspondence by email going forward, please update your email address by visiting our Share Registry's website at investorcentre.linkmarketservices.com.au and follow the steps below;

- click on the "REGISTER NOW" icon to create your portfolio (if you do not have a portfolio set up) or alternatively enter as a "single holding" by entering the following information;
 - enter your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), this can be found at the top right hand corner of the proxy form;
 - enter your postcode (if you have an Australian address), select your country (if you have an overseas address) and enter the security code (OEC);
- once you are logged in, click on 'Communications' from the top menu and select 'Preferences'. From here you can select your Communication Preference and update your email address.

Thank you for your contribution toward helping the environment and reducing printing and mailing costs.

Further, if you would like to receive news and investor updates directly from OEC, visit the company's website to join the distribution list: www.orbitalcorp.com.au/

If you have any queries, please contact OEC on (08) 9441 2311 or Link Market Services on +61 1300 554 474.

Yours sincerely

A handwritten signature in purple ink that reads 'Roules'.

Roulé Jones
CFO & Company Secretary

Orbital Corporation Limited