



ASX ANNOUNCEMENT

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REVENUE GUIDANCE UPDATE

Adjusted production target impacts FY19 revenue guidance

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company') today announces revised revenue guidance of A\$15 million for financial year 2019 ('FY19').

Production update

Orbital UAV is currently in production of its initial propulsion system that forms part of the Company's A\$120 million to A\$350 million Long Term Agreement with key customer Insitu Inc., a wholly owned subsidiary of The Boeing Company.

Full production ramp-up of this first engine has been temporarily impacted by near-term volume constraints with a small number of Orbital UAV suppliers. Anticipated quantities of key components have been delayed, resulting in an adjustment to production targets in FY19 and a subsequent review of the Company's previously stated revenue guidance.

Revised revenue guidance for FY19 of A\$15 million has now been set.

Delayed shipments of Orbital UAV's first engine to Insitu will be recovered in Q3 2019. The adjustment to FY19 production targets does not impact Insitu's short-term requirements.

In the same quarter, the Company will begin production of the second engine within the LTA, as planned.

Orbital UAV is working closely with the relevant suppliers to eliminate future supply interruptions – implementing the necessary measures to improve lead times, scheduling confidence and throughput.

Delivery against targets set out within the LTA with Boeing subsidiary Insitu remains Orbital UAV's core strategic focus. The Company continues to manage a positive balance sheet and retains sufficient working capital to execute this strategy.

"We are building a business that is capable of competing and leading in the global tactical UAV market," said Todd Alder, CEO and Managing Director of Orbital UAV.

"The opportunities for Orbital UAV in this market are significant. Despite the production ramp-up delay, we have made considerable progress against the Company's strategic objectives over the past 12 months and we continue to position ourselves for the delivery of long-term, sustainable value," he said.

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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.