



ASX ANNOUNCEMENT

11 March 2020

ORBITAL UAV APPOINTED PRIMARY ENGINE SUPPLIER TO INSITU INC.

Orbital UAV designated primary supplier of two Insitu designed engines, previously multi-sourced

PERTH, AUSTRALIA: Orbital Corporation Ltd ("Orbital UAV", "the Company") is pleased to announce it has signed a Memorandum of Understanding ("MoU") with Insitu Inc., a wholly owned subsidiary of The Boeing Company ("Insitu"), designating Orbital UAV as the primary supplier of two Insitu designed engines.

Primary supplier status

The two engine models form part of Orbital UAV's current Long Term Agreement ("LTA") with Insitu and were previously part of a multi-source award (see ASX announcement 15 October 2018).

Orbital UAV's designation as primary supplier pursuant to the MoU means that the Company will be:

1. the sole source supplier for the Insitu designed engine currently in production (see ASX announcement 15 January 2020);
2. the sole source supplier for the second Insitu designed engine which is currently in development; and
3. as primary supplier, Insitu will approach Orbital UAV for the purposes of fulfilling all demand requirements. Where both parties agree that Insitu's demand requirements cannot be totally fulfilled by Orbital UAV, Insitu may approach another party to assist meeting total demand.

Primary supplier status will increase Orbital UAV's share of Insitu designed engine orders and provides the Company with opportunities to increase production volumes under the LTA. The award supports the Company's decision to locate Orbital UAV's new production facility in Hood River, Oregon and provides incentive for further investment in production capacity.

"Over the past two years, we have continued our accretive growth strategy within the UAV industry and our LTA with Insitu represents a key aspect of that growth. We are delighted to now be awarded primary supplier status in the delivery of these two Insitu designed engines. This opportunity is a result of the progress we have already made and a demonstration of Orbital UAV's ability to deliver superior quality in our field," said Todd Alder, CEO and Managing Director of Orbital UAV.

"Since signing the expanded LTA 17 months ago, we have worked side by side with Insitu, demonstrating our industry leading quality and expertise. The MoU represents further confidence in our capability as both a leading manufacturer and designer of the world's best propulsion solutions for tactical UAVs," said Mr Alder.

-ENDS-

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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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