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ASX RELEASE

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REMSAFE UPDATE

- Orbital acquires 100% ownership of REMSAFE
- New REMSAFE Chairman, Mr. Michael Lane, founder and previous co-owner
- New REMSAFE CEO, Mr. Robert Wilson appointed Chief Executive Officer of REMSAFE
- New “Gen 5” REMSAFE product launched with lower cost and improved functionality
- REMSAFE debuts in USA at MINExpo2016 USA in collaboration with Eaton Corporation Plc

Orbital Acquires 100% of REMSAFE

Orbital Corporation Limited (ASX: OEC) (“Orbital” or “the Company”) is pleased to announce the Company has secured 100% ownership of REMSAFE. Orbital has agreed to acquire the residual 38.5% minority interest in REMSAFE from Michael Lane in consideration for the issue of up to 5 million ordinary shares in Orbital at a deemed issue price of \$0.86 per share. The acquisition of the remaining equity shows Orbital’s confidence in REMSAFE’s long term potential. The terms of sale provide incentive to achieve targeted future sales. The acquisition is effective immediately with the consideration payable as follows:

- 1,000,000 new fully paid ordinary shares in Orbital (**Orbital Shares**), immediately on completion of the share sale;
- a further 2,000,000 Orbital Shares if REMSAFE achieves \$25m Accumulated Annual Sales for any 12 month period; and
- a further 2,000,000 Orbital Shares if REMSAFE achieves \$40m Accumulated Annual Sales for any 12 month period.

Accumulated Annual Sales refers to the sum of actual sales revenue for the sale of REMSAFE products; licensing fees received by REMSAFE, and any other revenue derived from REMSAFE.

The Orbital Shares to be issued to Michael Lane in connection with the transaction will rank equally with existing fully paid ordinary shares in Orbital and shareholder approval is not required for their issue. The issue is not being made to a class of securityholders.

REMSAFE Management Changes

Following the acquisition of 100% control by Orbital, Mr Michael Lane has retired as Managing Director and has been appointed Chairman of the REMSAFE Board. Michael is the founder of REMSAFE and will stay actively involved in the business as Chairman. In this role it is expected he will provide support to the new CEO with ongoing high level marketing, industry and peak body presentations, brand development, and research and development activity.

Mr Robert Wilson has been appointed Chief Executive Officer of REMSAFE and has commenced in the role. Rob takes on the responsibility for the overall operations of REMSAFE reporting to the REMSAFE Board and to Mr Terry Stinson, Chief Executive Officer and Managing Director of Orbital. Rob has been recruited to advance the REMSAFE business plan and provide the commercialisation skill set to lead the team to achieve aggressive sales growth in primary markets, and expand the business into new products, new markets, and new regions.

Rob brings a wealth of experience to address the resources sector, REMSAFE's current target market. He has experience in investment, operations, project management, productivity and safety, and a strong commercial and financial understanding of the development imperatives to achieve success in the commercialisation of a new technology. Rob holds a BSc in engineering and an MBA and brings senior management, advisory and leadership experience, developed in the resources and financial industries. He previously held the position of Chief Development Officer at Atlas Iron Ltd, and Director at Match Point Consulting, following a 10 year period with Macquarie Capital, ultimately as a Division Director within the infrastructure funds business.

Mr Lane was pleased to welcome Rob to REMSAFE: "I am delighted we have recruited a CEO of Rob's stature and skills. The management change adds new leadership, skills and energy to the REMSAFE initiative and offers me the opportunity to work with Orbital on REMSAFE brand development, high level customer and partner relationship development, and be involved in ongoing evolution of the REMSAFE products. As the founder of REMSAFE I look forward to continuing to be a part of the future success".

REMSAFE – New “GEN 5” product

REMSAFE has developed a 5th generation product, REMSAFE GEN 5 (“GEN 5”) that provides remote isolation efficiency at a lower cost and with improved functionality. The Gen 5 product has been released to customers who have been impressed with the lower cost and ease of operation. The latest design incorporates innovative improvements over the previous Gen 4 REMSAFE system.

The Gen 5 product is a modular design with a wide range of applicability and a price to suit the customer requirements. The Master Control Module integrates all of the previous Gen 4 control modules into one panel, reducing part count, complexity and build time. From a user perspective, the Gen 5 has a simplified user interface, and has increased capability in the number of devices (such as conveyors and ancillary equipment) than can be isolated in the one event. Like all REMSAFE systems, the Gen 5 product is aimed at companies seeking a proven, safe remote electrical isolation system that improves productivity.

REMSAFE debuts in the US in conjunction with EATON

REMSAFE debuted at the prestigious MINExpo 2016 in late September. MINExpo 2016 “Technology and Solutions for Today and Tomorrow” is the largest show of its kind in the world and draws an international audience representing all major mining regions of the world with around 2,000 companies in attendance. REMSAFE displayed in conjunction with Eaton Corporation Plc (“EATON”) (NYSE: ETN), a global technology leader in power management solutions. REMSAFE debuted in the EATON booth at MINExpo and used this opportunity to market REMSAFE to primarily the

US, South American and Canadian markets. EATON and REMSAFE also met with potential customers during their time in the US.

REMSAFE Potential

Terry Stinson, CEO and MD, Orbital Corporation Limited states “I am very pleased to have Rob Wilson on board. Rob brings the knowledge and experience REMSAFE requires to achieve the next phase of growth. Rob will be a significant contributor to our future success. REMSAFE is ready to move to the next phase of growth and development and Rob is the right person to ensure that REMSAFE realises its full potential. From the beginning Orbital intended to acquire 100% of REMSAFE and we have been doing this incrementally over time. The timing was right and we were able to structure a mutually beneficial deal that provides 100% ownership and retains Michael Lane’s incentive to deliver on our future sales objectives. As Chairman, Michael Lane will be able to use his experience and insight to provide guidance and leadership. Michael has also agreed to provide ongoing support to the CEO. This new structure allows for a smooth transition and the best organisational foundation to support future growth. The evolution to Gen 5 is driven by customer feedback. The Gen 4 products meets and exceeds customer requirements and provides the highest level of safety compared to any other product in the market. The challenge with market penetration has been restrictions on mining capital expenditure. The new Gen 5 provides a best in class, lower cost, alternative. The Gen 5 and our new rental option enhances REMSAFE’s growth potential”

About REMSAFE Systems

REMSAFE is the world’s leading custom engineered and installed, SIL rated, remote isolation system that minimises isolation downtime safely to maximise production performance, profitability and safety.

The technology and the product were developed in Western Australia to meet the high SIL safety rating called for by major mining companies. REMSAFE has been successfully deployed in Pilbara based applications by the state’s major iron ore miners: BHP-Billiton Limited, Rio Tinto Limited and Fortescue Metals Group Limited. More recently REMSAFE was installed in an Anglo American coal operation in South Africa, demonstrating the capability of REMSAFE to expand into new regions and markets, placing REMSAFE firmly on the global stage as a leader in the supply of remote isolation systems.

PRODUCTIVITY

An existing isolation event on mining equipment without REMSAFE could take in excess of 45 minutes. REMSAFE’s ability to isolate or de-isolate mining equipment in less than 3 minutes means a lot less downtime, resulting in increased production time and tonnage.

Maintenance, inspections and minor component change-outs can now be dealt with immediately or when production breaks appear, rather than deferring and accumulating a multitude of tasks for shutdowns.

SAFETY

Since personnel are no longer required in switch rooms to operate isolators, the risk of injury from potential arc flash incidents is eliminated while using REMSAFE.

RETURN ON INVESTMENT

The more time customers’ equipment is running, the greater their production. REMSAFE enables customers to maximise their production.

Isolations can be completed by any trained personnel without the need for High Voltage certified electrical personnel. Reducing the number of man-hours expended on isolations and de-isolations considerably reduces operational downtime and labour costs.

-ENDS-

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About Orbital

ORBITAL is an innovative industrial technology company.

ORBITAL invents and builds smart technology that delivers improved performance outcomes for our clients in the aerospace, mining & industrial and consumer sectors.

ORBITAL operates on a global scale and is headquartered in Perth, Western Australia. From a world class facility, ORBITAL's innovation magic takes shape – from research and design to development, manufacturing and implementation.

Delivering state-of-the-art products and services within the industrial technology sector is what we do.

ORBITAL's technology leadership is exemplified by the patented REMSAFE remote isolation system for global mining and industrial applications and Orbital's® UAVE business that produces and supplies engine and propulsion systems for unmanned aerial vehicles.

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. Orbital 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.