



ORBITAL®

ASX RELEASE

18 December 2017

ORBITAL SIGNS REMSAFE SALE AGREEMENT

- **Orbital has divested its interest in REMSAFE to the Avidsys Group**
- **Sale proceeds of A\$2.2 million to be made in three cash payments over 18 months**
- **All current REMSAFE employees will transition to the Avidsys Group**
- **The sale supports Orbital's strategy to strengthen its position in the Unmanned Aerial Vehicle (UAV) market**

Orbital Corporation Limited (ASX: OEC) ('Orbital' or 'the Company') confirms the Company has executed a sale agreement ('the Agreement') with the Avidsys Group ('Avidsys') for the divestment of the Company's interest in REMSAFE Pty Ltd ('REMSAFE') for an unconditional cash payment of A\$2.2 million.

With a presence in Australia, India and the United States, Avidsys manage physical assets and services covering mining operations management, mining investments, commodity trading and business consulting.

Orbital has successfully improved the technology solution central to the REMSAFE isolation system and the divestment positions the REMSAFE business for future success. The divestment will also allow Orbital to focus on an optimised UAV strategy and strengthen the Company's unique position to satisfy increasing global demand for long endurance and high reliability UAV propulsion systems.

Execution of the Agreement will provide Orbital with the opportunity of diverting previously allocated REMSAFE working capital towards near term UAV priorities including the new operational facility in the United States and accelerated research and development.

The key terms of the Sale Agreement included:

- Avidsys have purchased 100 per cent of the shares in REMSAFE for an unconditional cash payment of A\$2.2 million;
- The sale consideration is to be paid in three tranches over 18 months; the first tranche of \$750,000 has been paid, the second tranche of \$750,000 is payable in December 2018, and the third tranche of \$700,000 will be payable in June 2019;
- Settlement adjustments relating to REMSAFE business net assets of A\$750,000 and A\$149,000 in employee liabilities;
- All current REMSAFE employees to be transitioned to Avidsys; and

- REMSAFE business, under Avidsys ownership, will continue to service existing clients and pursue a pipeline of sales opportunities.

Orbital's Managing Director and CEO, Mr Todd Alder, commented:

"Orbital aims to invent, build and deliver superior technology solutions for our customers. REMSAFE is a smarter, faster, safer remote isolation system. Unfortunately we have been unable to deliver on our initial expectations for REMSAFE. Consequently we have made a divestment decision which generates a cash return to Orbital and will allow focus to return to our main business. The security of our REMSAFE employees was an important consideration and we are confident that Avidsys are the right owner for the REMSAFE business."

"The REMSAFE divestment marks another important step towards ensuring Orbital can convert the exciting potential within the Company's UAV business."

-ENDS-

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About Orbital

ORBITAL invents, builds and delivers superior performance for our clients in the unmanned aerial vehicle sector.

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 product development, validation, manufacturing and implementation.

Delivering state-of-the-art products and services within the unmanned aerial vehicle sector is what we do.

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.'