



ASX ANNOUNCEMENT

23 April 2020

ORBITAL UAV TO WORK WITH NORTHROP GRUMMAN TO DEVELOP NEW HYBRID UAV PROPULSION SYSTEM

PERTH, AUSTRALIA: Orbital Corporation Ltd (ASX:OEC) ("Orbital UAV", "the Company") is pleased to announce it has signed a contract with leading aerospace and defence technology company Northrop Grumman Corporation ("Northrop Grumman") for the development of a hybrid propulsion system for a Vertical Take-Off and Landing ("VTOL") unmanned aerial vehicle ("UAV").

Orbital UAV has been tasked to design and develop a hybrid propulsion system which combines an electric motor with the Company's flight-proven heavy fuel engine, to provide leading reliability and performance for VTOL UAV applications.

"This new contract of work represents another opportunity for Orbital UAV to expand its customer base of global defence prime contractors and further develop our range of products to meet the evolving needs of the tactical UAV market," said Todd Alder, CEO and Managing Director of Orbital UAV.

Under the contract, Orbital UAV will develop, supply and support two initial hybrid propulsion systems for integration into Northrop Grumman's small UAV development platform. Work will be performed at the Company's production and design facility in Perth, Western Australia.

"The integration of our heavy fuel engine technology with a hybrid propulsion system represents a significant technological step forward for the tactical UAV industry," said Keith Hirschman, Orbital UAV's Vice-President for Global Growth. "A hybrid propulsion system will address the growing demand for greater payload power."

"Northrop Grumman is developing the next generation of VTOL UAVs," said Rob Sova, director, Autonomous Systems operating unit, Northrop Grumman. "Orbital UAV will help augment our research and development initiatives in anticipation and support of our customers' needs."

Delivery of the two prototype propulsion systems for flight testing is anticipated to occur during 2021. Success in the project has the potential to lead to additional commercial production opportunities for Orbital UAV.

The development and design contracts will not impact the Company's current financial year revenue guidance figure which remains at \$25-\$35 million.

-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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