

ASX ANNOUNCEMENT

23 October 2026

Orbital Corporation Limited | ASX: OEC

ORBITAL SECURES A\$3.7 MILLION POWER BY THE HOUR CONTRACT WITH AMERICAN AEROSPACE

First Power by the Hour agreement supports an initial fleet of 10 unmanned aircraft, with contract revenue of US\$2.6 million over the initial contract term to 31 December 2027.

HIGHLIGHTS

- Orbital enters its first Power by the Hour (PBH) agreement with American Aerospace Technologies Inc. (AATI), establishing a new recurring revenue stream in the US commercial UAV market.
- This initial agreement supports a fleet growing to 10 UAVs, with contract revenue of US\$2.6 million (A\$3.7 million) via a take-or-pay commitment underpinning minimum monthly engine hours.
- PBH extends revenue beyond the upfront engine sale through ongoing propulsion support, providing a foundation to offer the model to other UAV fleet operators.
- Potential to expand beyond the initial 10-aircraft fleet as AATI's operations grow, subject to further end-user contracts and a separate Phase II agreement.
- This market leading initiative in the UAV sector is enabled by Orbital's proven engine performance and reliability with a history in excess of 1 million hours of US maritime operations.

Orbital Corporation Limited (ASX:OEC) ("Orbital" or the "Company") has entered its first Power by the Hour (PBH) agreement with American Aerospace Technologies Inc. ("AATI"), establishing a recurring revenue stream supporting AATI's AiRanger unmanned aircraft fleet currently deployed in US coastal surveillance operations.

The agreement progresses the PBH opportunity outlined in Orbital's 24 July 2026 ASX announcement, converting the existing propulsion supply relationship with AATI into an ongoing service arrangement.

CEO COMMENT

"The growth of commercial UAV operations creates an opportunity for Orbital to build a recurring service business alongside engine sales. Power by the Hour reduces the upfront cost for operators to deploy our engines, while allowing us to earn greater revenue over their operating life."

"Minimum monthly commitments provide better revenue visibility, with scope to grow as customer fleets expand. This first agreement with AATI puts that strategy into practice and provides a foundation to offer the model to other operators."

"Our broader focus is on building a more diversified customer base across commercial and defence applications. Adding Power by the Hour to our engine sales and support offering gives us another way to attract customers and generate greater value from our technology, while reducing our reliance on any single program over time."

— Stephen Pearce, CEO, Orbital Corporation Limited

POWER BY THE HOUR AGREEMENT

Under the Power by the Hour (PBH) model, Orbital retains ownership of its engines and provides maintenance, overhaul, performance support and replacement in return for an hourly service charge.

The initial agreement supports a fleet progressively expanding to 10 aircraft by May 2027, with a take-or-pay commitment of 200 engine hours per aircraft per month. This will generate US\$2.6 million in revenue over the initial term to 31 December 2027, with renewal options to extend beyond that date.

The agreement establishes a recurring monthly revenue stream derived through engine operations and associated maintenance, overhaul, replacement and performance support.

This marks a progression from supplying propulsion systems for aircraft development to fully supporting customer flight operations.

The agreement builds on the successful first flight and subsequent operational performance outcomes including ISR mission durations of up to 20 hours flight time.

Two of the engines previously ordered and not yet delivered will now be converted to the Power by the Hour fleet. Orders for Gen II Power Management Systems are outside the PBH contract, and to date 5 units have been ordered for a value of US\$60,000.

There is potential to expand beyond the initial fleet, subject to extended end-user contracts and a separate Phase II agreement.

AATI is positioning the AiRanger platform for a range of government and commercial opportunities that have the potential to create significant fleet expansion over time.

In April 2026 the USCG Robotics and Autonomous Systems PEO issued an RFI for contractor-owned, contractor-operated (COCO) Group 2/3 medium-range UAS ISR services.

The services would cover up to 35 shore-based sites in the Atlantic, Pacific and Alaska/Arctic regions.

The US Coast Guard intends to use a Basic Ordering Agreement with a five-year base and one five-year option (up to 10 years), with orders competed among eligible vendors by platform or shore region.

To date, no contract has been awarded under the RFI.

AATI is currently providing COCO ISR services to the US Coast Guard.

ABOUT AMERICAN AEROSPACE TECHNOLOGIES, INC.

American Aerospace Technologies Inc. (AATI) is a US-based developer and operator of long-endurance unmanned aircraft and airborne sensing systems serving government and commercial customers across defence, homeland security and critical infrastructure markets.

Its AiRanger platform holds commercial Beyond Visual Line of Sight (BVLOS) operating approvals in the United States and uses Orbital's 150HFE propulsion system.

ABOUT ORBITAL CORPORATION LIMITED (ASX: OEC)

Orbital Corporation Limited (ASX: OEC) is a Perth, Western Australia-based designer and manufacturer of integrated heavy fuel propulsion systems for Group 2 and Group 3 unmanned aerial vehicles (UAVs).

With over 40 years of engineering heritage and more than 1.2 million proven in-field service hours across multiple Tier 1 defence customers including Boeing and Textron Systems, OEC is a recognised global leader in UAV heavy fuel engine technology that services both defence applications as well as the rapidly evolving commercial sector.

The Company's in-production engine range spans from 50cc to 350cc Heavy Fuel Engines and associated control systems & power management modules, covering the full Group 2/3 UAV spectrum.

AUTHORISATION

This announcement has been authorised for release to the ASX by the Board of Directors of Orbital Corporation Limited.

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