

CODE OF CONDUCT

INTRODUCTION

Our Company, Orbital Corporation Limited, has been operating successfully as a public company for nearly 30 years, establishing an enviable reputation for honesty and integrity.

That reputation will only be upheld if everyone in the Company acts, and is seen to act, in accordance with the highest standards of propriety and business ethics.

The Code of Conduct, as approved by the Directors, sets out the standards expected of the Directors and employees of the Company in the performance of their duties. The Code does not attempt to instruct people in how to conduct their lives outside their relationship with the Company, nor to influence their personal beliefs.

Put simply, the Code of Conduct is a formalisation of the values and standards currently adopted by Orbital in conducting its business. By continuing to apply those values and standards, benefits will flow to both the employees and shareholders of the Company and, ultimately, to the community at large.

Peter Cook
Managing Director
June 2005

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APPLICATION

The Code of Conduct applies to all of the operations and to all Directors and employees of Orbital Corporation Limited and its subsidiary companies.

COMPLIANCE WITH THE LAW

Orbital undertakes to comply with all applicable laws at all times. In interpreting the law, the Company will always endeavour to adopt a course which reinforces its reputation for integrity.

CORPORATE CONDUCT

Orbital's reputation for integrity is a valuable asset which must be protected at all times. The Directors and employees of the Company will therefore conduct their business on behalf of the Company in accordance with the highest ethical standards and sound corporate governance.

CONFLICTS OF INTEREST

The Company expects its employees not to place themselves in a position where their private interests conflict directly or indirectly with their obligations to Orbital. Any such conflict should be reported to the employee's supervisor or manager. Similarly, any personal interests or obligations of employees which could create any suspicion that actions they take or decisions they make for the Company might be influenced by those personal interests should be reported.

Employees shall not solicit or accept any benefits (such as cash, gifts or entertainment) from any person in connection with, or as a reward for, any service or business of the Company. Equally, it is against the policy of Orbital to secure business by creating a conflict of interest on the part of an employee of an organisation dealing with the Company.

This policy does not preclude the exchange of ordinary hospitality between persons (such as meals in the normal conduct of business) or, subject to the requirements of honesty and fiduciary duty to the Company, the acceptance of unsolicited, non-cash gifts of nominal value where it is clear that the donor is not attempting to influence the recipient.

CUSTOMERS AND BUSINESS RELATIONSHIPS

All dealings with customers and suppliers shall be conducted in a professional and courteous manner. Commitments to buy or sell on behalf of the Company must be made solely on sound commercial grounds having regard to quality, price and service.

EMPLOYEES

All employees will be given every reasonable opportunity to fully develop their abilities to advance within the Company.

Gender, race, age, religion or sexual preference will not be factors in appraising individuals for employment, salary review or promotion.

EMPLOYEES (CONT)

Employee harassment of any kind (including sexual harassment) will not be tolerated. Sexual harassment includes any unwelcome sexual advances, requests for sexual favours or any other verbal or physical conduct of a sexual nature.

The use of any means (including electronic communication such as email or the Internet) to disseminate material which is sexually explicit, defamatory, racist or vulgar, is prohibited.

Wilful disregard of this policy will result in immediate dismissal.

CONFIDENTIALITY

Information of value to Orbital which has not been publicly disclosed is confidential and shall not be divulged by any officer or employee of the Company without proper authorisation. Confidential information includes information about the Company, its suppliers, customers and employees as well as information obtained from others which the Company has an obligation to keep confidential. The obligation of confidentiality continues even after employment has terminated.

USE OF COMPANY ASSETS

Orbital's assets (such as funds, stock and equipment) are only to be used by employees for the Company's business purposes or interests. Assets are not to be removed from Company premises without proper authorisation or compliance with relevant procedures.

The Company has established a specific detailed policy related to dealing in the Company's securities. In general terms, an officer or employee must not buy or sell shares in the Company at any time when that officer or employee possesses information that is not generally available but, if it was, could reasonably be expected to have a material effect on the price or value of the Company's shares.

POLITICAL CONTRIBUTIONS

No Company payments or gifts of value may be made to a political party or candidate without the prior approval of the Board.

COMPLIANCE WITH THE CODE

Employees are required to report to their manager or supervisor every known or suspected work-related event which involves questionable, dishonest or fraudulent activity.

BREACHES OF THE CODE

All suspected breaches of the Code of Conduct will be investigated. Persons responsible for a breach of the Code will be subject to appropriate disciplinary action, which may include dismissal.

Any employee who has concerns regarding questionable accounting or auditing matters may make a complaint or a confidential anonymous submission to the Chairman of the Audit Committee.



Code of Conduct June 2005