

10 April 2007

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

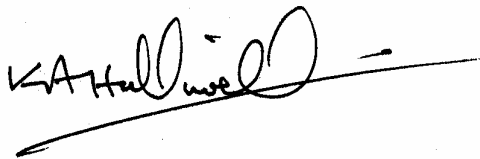
**SALE OF UNMARKETABLE PARCELS**

Orbital Corporation Limited ("Orbital" or "the Company") has established a sale facility for shareholders who held less than \$500 worth of shares in Orbital as at 5.00pm Perth time on Thursday 5 April 2007 ("Record Date").

In accordance with the Listing Rules, we attach copies of the following documents which will be dispatched in the coming days to those shareholders of Orbital Corporation Limited who held an unmarketable parcel of shares as at 5.00pm Perth time on 5 April 2007:

1. Letter to relevant shareholders holding an unmarketable parcel; and
2. Share Retention Form.

Yours faithfully



K A Halliwell  
Company Secretary



A.B.N. 32 009 344 058

4 Whipple St, Balcatta, 6021, Western Australia  
PO Box 901, Balcatta, 6914, Western Australia  
Ph +61 8 9441 2311  
Fax: +61 8 9441 2111  
Website: [www.orbitalcorp.com.au](http://www.orbitalcorp.com.au)

*Please read this important letter.*

**If you do not respond to this letter Orbital will be entitled to sell your shares on your behalf.**

12 April 2007

Dear Shareholder

**Sale of your unmarketable parcel of shares in Orbital Corporation Limited (“Orbital”)**

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I am writing to offer a sale facility to all shareholders with a holding of less than \$500 worth of Orbital’s shares (known as an “**unmarketable parcel**”).

Orbital’s administrative costs to maintain small shareholdings (including printing, mailing and share registry costs) are high. To reduce these costs, Orbital’s constitution allows Orbital to sell unmarketable parcels of shares on behalf of its shareholders. Orbital will pay all brokerage fees and related costs in respect of the sale and will provide you with the proceeds of sale shortly after your shares have been sold. Due to the relatively high brokerage costs that you would face in selling such a small number of shares, Orbital would like to take this opportunity to encourage you to sell your unmarketable parcel of shares through this sale facility.

The price of an Orbital share as at the close of trade on 5 April 2007 (“**Record Date**”) was 21.5 cents. This means that an unmarketable parcel (\$500 worth of shares) is 2,325 shares. Orbital currently has 5,845 shareholders holding unmarketable parcels.

Your shareholding at the Record Date (which is set out on the enclosed Share Retention Form) was an unmarketable parcel.

**This notice is to inform you, and all other holders of unmarketable parcels of shares, that Orbital intends to apply the provisions of article 21 of its constitution and sell your shares on your behalf. If you do not wish for your shares to be sold, you must complete and return the Share Retention Form to our share registry, Computershare Investor Services, no later than 5.00pm (Perth time) on 31 May 2007.**

**If you wish your shares to be sold there is no need to do anything.** Orbital has engaged Patersons Securities Limited (“**Patersons**”) to act as broker and effect the share sales on the Australian Securities Exchange (“**ASX**”). The price you will receive for your shares will be the volume weighted average price obtained by Patersons for the sale of all unmarketable parcels of Orbital shares and Patersons is under an obligation to sell the shares at the best price reasonably obtainable at the time of each relevant sale. Orbital will remit the proceeds from that sale to you as soon as practicable.

The price of Orbital’s shares is subject to change from time to time and pricing information is available from a number of sources including daily newspapers or the website of the ASX ([www.asx.com.au](http://www.asx.com.au)) under the code “OEC”.

Please note that Orbital reserves the right to withdraw the sale facility at any time prior to the sale occurring.

**Next Steps:**

<b>If you wish to sell your unmarketable parcel</b>	You do not need to do anything. The sales process will occur according to the above timetable and conditions.
<b>If you <u>do not</u> wish to sell your unmarketable parcel</b>	You <b>MUST</b> complete and return the enclosed Share Retention Form to Computershare Investor Services at the address detailed on the Share Retention Form by 5.00pm Perth time on 31 May 2007.
<b>If you wish to sell your unmarketable parcel on or before 31 May 2007</b>	You are free to sell your shares at any time on or before 31 May 2007 by contacting your broker. You will be responsible for brokerage and other costs.
<b>If you wish to top up your shareholding so that it is no longer an unmarketable parcel</b>	You can do so at any time before 5.00pm Perth time on 31 May 2007 by contacting your broker. You will be responsible for brokerage and other costs.

Neither Orbital, Patersons or Computershare Investor Services makes any recommendation or gives any advice to you regarding whether to sell or retain your shares. If you are in any doubt, please consult your own professional adviser.

If you have any questions regarding this letter or the sale facility please contact either Keith Halliwell or Ian Veitch on +61 8 9441 2311 or Orbital's share registry, Computershare Investor Services, on 1300 557 010 or +61 8 9323 2000.

Yours faithfully

Keith Halliwell  
Company Secretary

**A**

000001  
000  
SAM  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

Use a **black** pen.  
Print in **CAPITAL** letters  
inside the grey areas.

A	B	C
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1	2	3
---	---	---

Where a choice is required,  
mark the box with an 'X'

X
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## Share Retention Form

### IMPORTANT:

This is an important document and requires your immediate attention. If you wish to retain your ordinary shares ("Shares") in Orbital Corporation Limited ("the Company"), you must complete this form and return it so that it is received at one of the addresses set out on the back of this form by no later than 5.00pm (WST) on 31 May 2007. You should also refer to the letter to shareholders that accompanied this form. If you are in any doubt as to how to deal with this form, please consult a professional advisor.

<b>B</b>	<b>Number of Shares as at Record Date</b> The number of Shares you held at 5.00pm (WST) on 5 April 2007.	XXXXXXXXXX
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<b>C</b>	<b>Retention of Shares</b> <input checked="" type="checkbox"/> I/we refer to the notice from the Company dated 12 April 2007 and record my/our wish to retain my/our Shares.
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<b>D</b>	<b>Contact details</b> Please provide your contact details in case we need to speak to you about this form.
<b>Name of contact person</b>	<b>Contact person's daytime telephone number</b>
<input type="text"/>	( <input type="text"/> ) <input type="text"/>

<b>E</b>	<b>Sign here - this section must be signed before we can process this form.</b> By signing and returning this form, I/we confirm that I/we understand that my/our Shares will not be sold under the Unmarketable Parcel Sale Facility.	
<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Sole Director and Sole Company Secretary</b>	<b>Director</b>	<b>Director/Company Secretary</b>
<b>Day</b> <b>Month</b> <b>Year</b>		
<input type="text"/>		

TO BE A VALID INSTRUCTION, THIS FORM MUST BE RECEIVED AT ONE OF THE ADDRESSES LISTED OVERLEAF BY NO LATER THAN 5.00PM (WST) ON 31 MAY 2007



# How to complete this form

Securityholders who wish to retain their shares must lodge a Share Retention Form.

## A Registration Name(s)

Your name and address as it appears on the register of Orbital Corporation Limited.

## B Number of Shares as at Record Date

This is the total number of Shares you held at 5.00pm (WST) on 5 April 2007.

## C Retention of Shares

If you would like to retain your shares, please mark the box on the front of the form and return it in accordance with the lodgement instructions below.

If this form is not received by that time, and you have not otherwise validly notified the Company that you wish to retain your Shares by that time, the Company will be entitled to have your Shares sold for you.

**If you wish to sell your Shares under the Unmarketable Parcel Sale Facility, you should not complete this form.**

## D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

## E Signature(s)

You must sign and date the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone.

Delete titles as applicable.

## Consolidation of shareholdings

If you have more than one holding on the Company's register and you do not sell your Shares under the Unmarketable Parcel Sale Facility, you should consider consolidating them. For further advice in this regard, please contact Computershare Investor Services Pty Limited ('CIS') on 1300 557 010 (within Australia) or 61 3 9415 4000 (outside Australia).

## Lodgement of Form

If you wish to retain your Shares, this Unmarketable Parcel Sale Facility Form must be completed and received by CIS at one of the addresses set out below by **no later than 5.00pm (WST) on 31 May 2007**.

It is your responsibility to allow sufficient time for this form to be received by CIS.

Your Share Retention Form must be sent to:

Postal address  
Computershare Investor Services Pty Limited  
GPO Box D182  
PERTH WA 6840

OR Hand delivery  
Computershare Investor Services Pty Limited  
Level 2  
45 St Georges Terrace  
PERTH WA 6000

## Privacy Statement

Personal information is collected on this form by CIS, as registrar for the Company, for the purpose of effecting your instructions in relation to the Unmarketable Parcel Sale Facility, maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to the Company and its professional advisers, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the Company in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**If you have any enquiries concerning your Securityholding please contact CIS on telephone 1300 557 010.**

This form may not be used to notify your change of address. For information please contact CIS on 1300 557 010 or visit the share registry at [www.computershare.com](http://www.computershare.com)

