

K-TIG SIGNS MOU WITH LEADING AUSTRALIAN DEFENCE CONTRACTORS

Highlights

- K-TIG has signed an MOU with Axiom Precision Manufacturing and Bisalloy Steels to develop a sovereign capability to maximise its participation in upcoming Australian Defence procurements including the LAND 400 project estimated to be \$10bn-\$15bn
- Axiom Precision Manufacturing specialises in advanced manufacturing and has capabilities across a number of industries with clients including the Australian Defence Force, the Royal Australian Navy and BAE Systems where it produces assemblies and sub-assemblies for air, land and sea defence projects
- Bisalloy Steels is Australia's only manufacturer of high-tensile and abrasion-resistant quenched and tempered steel plate used for armour, structural and wear resistant steel applications
- Axiom, KTIG and Bisalloy are seeking to jointly develop a sovereign capability for Australian industry in the efficient and effective welding of specialist steels vital to the Australian Defence Industry

K-TIG Limited (ASX: KTG) ("K-TIG" or the "Company") is a technology company deploying a full commercialized industry-disruptive high-speed welding technology. The Company is delighted to announce that it has signed a Memorandum of Understanding ("MOU") with Axiom Precision Manufacturing and Bisalloy Steel Group Limited ("Bisalloy") to jointly develop a sovereign capability for the Australian Defence Industry.

Axiom Precision Manufacturing, is an Australian advanced manufacturing provider with significant defence and aerospace industry experience. Axiom Precision Manufacturing currently produces assemblies and sub-assemblies for air, land and sea defence projects. Axiom Precision Manufacturing manufactures many components for the Australian Collins Class Submarines and is also the sole provider to BAE Systems for the vertical tail components for the F-35 Strike Fighter.

Bisalloy Steels (ASX:BIS) is Australia's only manufacturer of high-tensile and abrasion-resistant quenched and tempered steel plate used for armour, structural and wear-resistant steel applications. Bisalloy Steel is internationally recognised and certified by major defence departments and is used by major international prime contractors for land and sea projects.

Development of an Australian sovereign capability in the welding of specialist defence steels will allow Australian Industry to maximise its participation in upcoming Defence procurements, such as the four-phase approximately, \$10 - \$15 billion, LAND 400 project, that will see the ADF's existing Australian Light Armoured Vehicle and M113 Armoured Personnel Carrier fleets replaced with new vehicles that deliver improved levels of firepower, protection and mobility

Under the terms of the non-binding MOU:

- K-TIG, Axiom and Bisalloy will work together to jointly develop a sovereign capability for Australian industry in the efficient and effective welding of specialist steels vital to the Australian Defence Industry.
- The welding capability will be based around the keyhole TIG processes developed and commercialised by K-TIG.
- Axiom shall be responsible for establishing an Australian sovereign capability to weld specialist defence steels that can be utilised in a variety of land, sea and air defence projects.
- Bisalloy shall be responsible for the supply of specialist steels to the project based upon their armour plate technology.

Other aspects of the MOU are confidential and may be the subject of a future announcement.

K-TIG Chairman Stuart Carmichael said: “We are delighted to be expanding into the Defence market and partnering with Axiom Precision Manufacturing and Bisalloy Steels, two established Australian Department of Defence contractors. K-TIG will be responsible for the development of a keyhole TIG welding process for high carbon steels typically used in the defence industry”.

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This announcement was authorised for release by the Board of K-TIG Limited.

For more information, please contact:

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About K-TIG Limited

K-TIG is a transformative, industry disrupting welding technology that seeks to change the economics of fabrication. K-TIG’s high speed precision technology welds up to 100 times faster than traditional TIG welding, achieving full penetration in a single pass in materials up to 16mm in thickness and typically operates at twice the speed of plasma welding. K-TIG works across a wide range of applications and is particularly well suited to corrosion resistant materials such as stainless steel, nickel alloys, titanium alloys and most exotic materials. It easily handles longitudinal and circumferential welds on pipes, spooling, vessels, tanks and other materials in a single pass. Originally developed by the CSIRO, K-TIG owns all rights, title and interest in and to the proprietary and patented technology and has been awarded Australian Industrial Product of the Year and the DTC Defence Industry Award.

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of K-TIG Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.