

Release to the Australian Securities Exchange

XTEK SECURES SUPPLY CONTRACT WITH AUSTRALIAN STATE POLICE FOR EOD ROBOT

- XTEK wins contract to supply ICOR Caliber® T5 robot to an Australian state police service
- Contract includes maintenance component which will provide recurring revenue for the Company
- Potential for further contract wins as most robots used by Australian law enforcement agencies will need to be replaced and/or upgraded in the near future
- The estimated size of the law enforcement robot market in Australia is in excess of \$20 million

Canberra – 23 January 2016: XTEK Limited (ASX: XTE, 'the Company') is pleased to announce that the Company has been awarded a contract to supply an Explosive Ordnance Disposal (EOD) robot to an Australian state police service.

The contract for one ICOR Caliber T5 robot, which will primarily be used for bomb disposal, includes a maintenance programme that will provide XTEK with a recurring revenue stream.

The ICOR Caliber T5 is one of the most cost effective unmanned ground vehicles (UGVs) in the market for its capabilities. The T5 is a highly manoeuvrable robot that can fit into small spaces, provides live video of the threats and can be armed with various weapons / disruptors.

XTEK believes it is in a strong position to secure further contracts for the supply of EOD robots as law enforcement agencies around the country will need to replace and / or upgrade most of their UGVs in the near future as these UGVs are coming to the end of their useful life. XTEK has supplied most of the large robots to the Australian Police and Defence Forces in the last 10 years.

Further, there is growing demand from police services around the country for robots that have surveillance and other tactical capabilities to support counter terrorism and other police operations.

XTEK supplies a wide range of robots ranging from small tactical "throwbots", used for intelligence and surveillance, through to larger UGVs, which provide an all-round capability. The estimated size of the market for EOD and surveillance robots used in Australian law enforcement is in excess of \$20 million.

"We are an industry leader when it comes to the supply of unmanned vehicles for land, air or sea to security and military forces in this country. This means XTEK is well placed to benefit from the growing demand for such vehicles at a time of heightened public safety concern from the threat of terrorism," said XTEK Managing Director Phillipe Odouard.



"XTEK provides highly skilled and trained technical staff who can train operators and maintain this very sophisticated equipment. Our ability to provide ongoing maintenance locally is an essential added bonus for our customers, and also provides our business with a recurring revenue stream."

About XTEK Limited

XTEK Limited is a leading company in the Australian Homeland Security Market. XTEK's knowledge and expertise is focused on the delivery of protection and sustainment solutions for the government, law enforcement, military and commercial sectors.

The supply and maintenance of unmanned systems is becoming a major focus for XTEK.

In addition, XTEK has developed a range of new technologies which it is now commercialising for the international market. XTclave composite production process and products allow the highest performance ballistic protection for armed forces. XTatlas real time geospatial video and the digitisation of unmanned ground vehicle (UGV) control systems provide novel solutions for our law enforcement agencies and military forces.

For more information visit the XTEK website at www.xtek.net

Signed for and on behalf of XTEK Limited:

Lawrence A Gardiner Company Secretary 23 January 2017

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