

Release to the Australian Securities Exchange

XTEK receives first European purchase order for its high-end ballistic armour

- XTEK has received a purchase order from FY Composites in Finland for its high-end SAPI plates
- This is the first European order for XTEK's latest SAPI plates which were produced earlier this year using the in-house XTclave™ technology
- XTEK's SAPI plates have been shown to be up to 30% lighter than existing SAPI plates whilst still offering the same level of ballistic protection
- This purchase order is for a small batch of SAPI plates for qualification purposes which is the first step towards larger orders
- The order is a key milestone for the Company ahead of the construction of the next large scale XTclave™ production plant in FY18

Canberra – Tuesday, 19 December 2017:XTEK Limited (ASX:XTE) is pleased to announce it has received a purchase order from FY Composites for its in-house produced personal Small Arms Protective Insert (SAPI) plates. FY Composites is a major supplier for the Finnish Defence Forces and other European defence customers.

This the first order that XTEK has received in Europe for its latest rigid SAPI plates which have been produced using their in-house XTclave™ technology. The order is for two types of plates both made of polyethylene that will protect against two types of threats. Both are significantly lighter than existing SAPI plates, but offer the same level of protection. The two plates types are also buoyant in water which means they can be used in a variety of demanding combat situations.

The purchase order is for a small sample of SAPI plates for qualification purposes and is a significant step for the Company ahead of the construction of the latest iteration of XTEK's commercial scale XTclave™ plant which will be completed in FY18. The plant will not only provide XTEK with the ability to meet large scale orders for its personal ballistic armour plates but will also allow the Company to make a wide variety of products for the global composites market. The Company continues to work with a number of potential customers who have expressed interest in the XTclave™ technology.

"FY-Composites (FYC) is a supplier of high-performance lightweight ballistic protection solutions and we have been very impressed by the performance gains enabled by XTEK's technology. The weight of ballistic protection products is a parameter of vital importance when we define the specifications of our lightweight armor products. Our goal is to work together with XTEK to reinforce FYC's role as a major developer and supplier of ballistic protection solutions in Europe," said FY-Composites Managing Director Harri Matilainen.



"This purchase order win is a significant step for our business in the commercialisation of our in-house XTclave™ technology and is evidence of the quality of the composites that the XTclave™ can produce and also the demand for new types of lighter and more agile armour solutions for domestic and international defence forces," said XTEK Managing Director Philippe Odouard.

Signed for and on behalf of XTEK Limited:

Lawrence A Gardiner Company Secretary 19 December 2017

Media enquiries: Alexander Liddington-Cox

E: alex.liddingtoncox@mcpartners.com.au

M: 0474 701 469

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 Small Unmanned Aerial Systems (SUAS) is a major focus for XTEK.

In addition, XTEK has developed a range of new technologies which it is now commercialising for the international market. XTclaveTM composite protection products and XTatlasTM real time contextual video provide novel solutions for western military forces.

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