

Release to the Australian Securities Exchange

XTEK Limited Underwritten Share Purchase Plan

Canberra – Monday 30 May 2016: XTEK Limited (ASX:XTE) (“**XTEK**” or the “**Company**”) is pleased to announce the opportunity for existing Eligible Security Holders of the Company to participate in an underwritten Share Purchase Plan (**SPP** or **Offer**) to raise \$1.25 million to support the Company’s ongoing growth.

Key Features of the SPP:

- **New Securities will be offered at a 12.5% discount to the volume weighted average price (VWAP) over the 5 trading days prior to and including the Closing Date of the Offer.**
- **The issue price will be subject to a maximum price of \$0.42 per security.**
- **Patersons Securities is acting as Lead Manager to the Offer and has underwritten the SPP to an amount of \$1.25 million.**
- **There are no transaction costs to participants.**

The maximum Offer price under the SPP of \$0.42 per security represents a 12.5% discount on the Volume-Weighted Average Price (VWAP) of XTEK securities traded on the Australian Securities Exchange (ASX) over the 5 trading days prior to announcement of the SPP. The pricing structure for the SPP has been determined having regard both to recent volatility in the Company’s share price and longer term share price levels, and offers attractive pricing for Security Holders to invest additional equity in the Company.

The Company will announce the final issue price for securities acquired under the SPP after the Closing Date for the SPP. The price that Eligible Security Holders will pay for any new securities issued under the SPP, will be the lesser of \$0.42 per security or a 12.5% discount to the VWAP of XTEK securities over the 5 trading days prior to and including the Closing Date* (22 June 2016). * This is subject to ASX Waiver approval.

The Offer is made at a time when the Company has exciting opportunities for the commercialisation of the Company’s proprietary technologies. The funds raised from the SPP will be applied to commercialise the Company’s current research and development activities and will be used for:

- **Agency business** – expansion of marketing, sales and contract support, focused predominately on Unmanned Aircraft Systems (UAS), following the recent success in being named as the preferred tenderer to supply UAS to the Australian Defence Force under Land 129 Phase 4 Program;
- **Commercialisation of XTatlas™ technology** – investment to commercialise XTEK’s proprietary aerial contextual video mapping technology. This is a prerequisite for the sale of sub-systems and software to a global market; and
- **Working capital** – provide working capital required to grow the Company’s business, repay short term loans and meet its ongoing financial obligations.

Information for Eligible Security Holders

Security Holders who are registered as at 7.00pm (Sydney time) on 27 May 2016 (**Record Date**), and have a registered address in Australia and New Zealand (Eligible Security Holders) are invited to participate in the Company’s capital raising initiative. The SPP provides the opportunity for Eligible Security Holders to purchase up to \$15,000 of XTEK ordinary securities (Shares) at a 12.5% discount to the volume weighted average price (VWAP) for the 5 trading days prior to and including the Closing Date of the Offer, subject to a maximum issue price of \$0.42 per security.

Eligible Security Holders are able to purchase from an amount of \$1,000 of New Securities up to a maximum of \$15,000 worth of New Securities without incurring brokerage or transaction costs. All New Securities issued under the SPP will rank equally with existing securities in the Company.

An SPP Offer Document detailing terms and conditions, together with an SPP Application Form will be forwarded to all Eligible Security Holders to enable them to consider the investment. The SPP, including eligibility, is subject to the more detailed SPP rules which prevail to the extent of any inconsistency.

The SPP is to be underwritten by Patersons Securities Limited ABN 69 008 896 311 (Underwriter) to an amount of up to \$1.25 million (Underwritten Amount). If Applications are not received for the Underwritten Amount, XTEK will place to nominees of the Underwriter any securities that have not been applied for by Eligible Security Holders up to the Underwritten Amount in accordance with the maximum threshold allowed under the ASX Listing Rules (Shortfall Shares).

Timetable for the SPP

Important Dates	Date	Event
Record Date	27 May 2016	Date for deciding Eligible Security Holders.
Announcement Date	30 May 2016	SPP is announced to the market.
Opening Date	3 June 2016	SPP opens, Offer Document is dispatched.
Closing Date	22 June 2016	SPP closes at 5.00pm (Sydney time) on this date.
Allotment Date	29 June 2016	New Securities are allotted and issued
Dispatch Date	30 June 2016	Holding statements dispatched to Security Holders.
Quotation Date	30 June 2016	Date when New Securities are traded on the ASX.

The timetable is indicative only and subject to change. The Company reserves the right to vary the above dates subject to the ASX Listing Rules and the Corporations Act.

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

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
30 May 2016