



MEDIA RELEASE

Aussie Defence SME attracts the might of the US Military

Canberra 10 October 2013. XTEK Limited (ASX:XTE) has announced a Non-Renounceable Rights Issue ("Rights Issue") to raise \$679,291.21 in working capital to market its revolutionary XTclave™ Composite Consolidation Technology (CCT) which has captured the interest of the US Military.

In 2013 XTEK was awarded a significant contract up to US\$1,502,166 by the United States (US) Department of Defense (DoD) Foreign Comparative Testing (FCT) Program for the development of advanced lightweight hard armour plate solutions using XTEK's novel XTclave™ isostatic CCT.

The US armour market is one of the largest in the world for both body armour plates and other armour requirements with the US Defence market alone requiring around 1.5 million sets of body armour plates.

XTEK is also investigating the global market opportunities for further diversification. The ability of XTclave™ to consistently produce advanced technical composites, such as precision, void-free, structural carbon-fibre reinforced laminates capable of withstanding extreme thermal loading is significant and could have considerable applications in the aerospace and aviation industries.

Funds raised through the Rights Issue will also be used to retire debt, meet the costs of entering new markets with new products and services, adding value to the existing product range, enhancing the Company's Unmanned Aerial Vehicles (UAVs) capabilities as well as bringing specialist XTEK products to market to meet specific client requirements.

"Licensing the XTclave™ CCT manufacturing process to established composite manufacturers and system integrators as well as establishing new and growing existing markets and licensing new partners to extend into new markets by market segment are our priorities," XTEK chairman Mr Uwe Boettcher commented.

"This could include additional plants for one or more partners in the defence armour systems market; new plants and license arrangements with world leading commercialisation partners for the broader defence, UAV, wind energy, automotive and aircraft component industries.





“Closer to home our facility in Adelaide will remain focussed on early stage commercialisation for emerging markets, product design and build-to-order low volume specialised parts.

“To fast track capacity we plan to build and sell XTclave™ manufacturing plants to realise royalties that will build strong revenue streams from manufacturing output,” Mr Boettcher explained.

Despite continued budget constraints on Government expenditure in the Defence and Homeland Security sectors during 2013 revenue is up seven percent. XTEK has also achieved preferred supplier status within the Australian and New Zealand Defence Forces.

XTEK has successfully finalised its first large scale XTclave™ composite consolidation technology production plant, capable of processing approx 100 high tech body armour plates per cycle enabling advanced XTclave™ ballistic armour products to be batch manufactured and supplied to Defence and Law Enforcement Agencies worldwide.

“In just five years we have successfully moved the XTclave™ technology from design concept stage to a commercial scale production that has the potential to provide a significant financial return.

“This is a tremendously exciting time for XTEK and we look forward to clearly establishing XTEK as the global leader in composite consolidation technology products and services,” Mr Boettcher added.

Ends

For further information, please contact:

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About XTEK Limited

XTEK LIMITED is listed on the Australian Securities Exchange main board (ASX code: XTE). The only listed homeland security company in Australia, XTEK is one of the top Small Medium Enterprise (SME) Defence Contractors providing equipment, training and support services to Federal and State Government Departments and Police Forces responsible for Australia's national internal security.

