

Release to the Australian Securities Exchange Shortfall Shares Issue

Canberra, Monday 18 November 2013

XTEK Limited (ASX: XTE) is pleased to announce that in accordance with the provisions of the Non-Renounceable Rights Issue Offer (**Rights Offer**) Document dated 4 October 2013, the Company has today issued all available Shortfall Shares to Eligible Shareholders and Exempt Investors.

The Rights Offer Shortfall Shares were keenly sought by shareholders and investors, resulting in an oversubscription. As such, the Company after completing allocations for the Shortfall Shares, will be returning funds to some investors due to an oversubscription. A total of 6,357,156 new ordinary shares have been allotted and issued at an issue price of \$0.027 per ordinary share, to a total value of \$171,643.21.

Pursuant to the application for official quotation of these new ordinary shares, XTEK confirms the following:

1. The 6,357,156 new ordinary shares were allotted and issued on 18 November 2013 and have been allocated into the Company Register. Holding statements will be dispatched to shareholders on 19 November 2013.
2. Following the allotment and issue of the 6,357,156 new ordinary shares, the issued capital of XTEK comprises 201,271,652 fully paid ordinary shares. There are no options currently on issue. An Appendix 3B in respect to these new ordinary shares is annexed and forms part of this announcement.

XTEK is a leading company in the Australian Homeland Security Market. XTEK's knowledge and expertise is focused on the delivery of protection and sustaining solutions for defence forces, state and federal law enforcement agencies, corrections and customs services and government clients. For more information visit the XTEK web site at www.xtek.net

Signed for and on behalf of XTEK Limited:



Lawrence Gardiner
Company Secretary
18 November 2013

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

XTEK Limited (XTE)

ABN

90 103 629 107

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares (fully paid) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 6,357,156 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shortfall Shares issued as fully paid ordinary shares in response to the Non Renounceable Rights Issue Offer of 4 October 2013 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.027 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ul style="list-style-type: none"> • The purpose of the issue was to raise general working capital for the Company. 				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Tuesday, 19 November 2013</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="716 1186 997 1220">Number</th> <th data-bbox="1002 1186 1266 1220">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 1226 997 1379"> <p>201,271,652 fully paid ordinary shares are quoted.</p> </td> <td data-bbox="1002 1226 1266 1379"> <p>Ordinary</p> </td> </tr> </tbody> </table>	Number	+Class	<p>201,271,652 fully paid ordinary shares are quoted.</p>	<p>Ordinary</p>
Number	+Class				
<p>201,271,652 fully paid ordinary shares are quoted.</p>	<p>Ordinary</p>				

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	N/A
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non - renounceable
13	Ratio in which the +securities will be offered	1 new share for every 7 shares held at the Record Date
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	Friday, 4 October 2013
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	The Rights Offer was not made to security holders with registered addresses outside Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	Wednesday, 23 October 2013 for acceptances

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Appendix 3B
New issue announcement

20	Names of any underwriters	UDB Pty Ltd
21	Amount of any underwriting fee or commission	\$30,000.00
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement was sent to persons entitled	Wednesday, 9 October 2013
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities - NA

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

N/A

39 Class of +securities for which
 quotation is sought

N/A

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

N/A

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

N/A

42 Number and +class of all +securities
 quoted on ASX (including the
 securities in clause 38)

Number	+Class
N/A	

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Print name: Lawrence A. Gardiner
Position: Company Secretary
Date: 18 November 2013

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