

Release to the Australian Securities Exchange

XTEK secures \$2m of new Australian Defence Force contracts

Strong start to the new financial year

Canberra – Wednesday 13 July 2016: XTEK Limited (ASX:XTE) is pleased to announce that the Company has been awarded a number of Australian Defence Force (ADF) purchase orders with a total value of \$2 million.

- **The contracts cover the manufacture and supply of components and ancillary parts for the Blaser Tactical 2 Long Range Weapons System**
- **The ADF purchase orders further position the Company as an Australian leader in defence innovation**
- **XTEK builds on strong start to new financial year and anticipates more contract wins**
- **Well positioned to benefit from the Federal Government's plans to increase Australian Industry Content in defence**

The Blaser (Blaser Jagdwaffen GmbH, Germany) Tactical 2 Long Range Weapon System is a long range precision rifle used by the ADF. The purchase orders, totalling \$2 million, involve the supply of a range of enhanced components for the Blaser weapons.

Under the contracts, XTEK will upgrade the existing fleet of weapons, supply additional weapon systems and provide spare parts for the total fleet of weapons. These orders position XTEK as a leader in the design and manufacture of value added security and tactical components and systems for Australian Law Enforcement and Military Agencies.

XTEK has worked closely with the Australian Army and Blaser to modify, supply and support the XTEK enhanced Blaser Tactical 2 Long Range Weapon System providing a tailored product that services the unique needs of the Australian Army.

XTEK designs and manufactures a number of enhancements for the Blaser Tactical 2 Long Range Weapon System, including the chassis system, receiver, customised rails and mounts for specific accessory interfaces. The Australian Industry Content is significant with over 200 weapon components per weapon system to be manufactured in South Australia.



The XTEK manufacturing facility in Elizabeth, SA, delivers the unique solutions that XTEK is providing through these contracts. The XTclave™ production plant will be used to manufacture discreet lightweight composite parts for the weapons system, such as hand grips. Two XTEK Vertical Machining Centres and a plastic injection moulding machine will be used for the manufacture of other components.

As a leader in the design and manufacture of tailored solutions to the Australian Defence Force, XTEK is well positioned to capitalise on the Australian Government's defence industry plans, which aim to increase local industry participation in the procurement and through life support of defence equipment.

"These orders demonstrate the commitment of XTEK and its suppliers to increasing Australian Industry Content to deliver world-class solutions to the ADF and other security forces in this country," said XTEK's Chairman, Uwe Boettcher.

"The 2017 financial year is shaping to be a period of growth for our Company and we are anticipating further contract wins in the coming months."

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
13 July 2016