

Release to the Australian Securities Exchange

Issue of New Securities and Options

Canberra – Thursday 16 July 2015: XTEK Limited (ASX:XTE), advises that the Company has issued 950,000 new securities and 500,000 unlisted options in the capital of the Company. The issue of the new securities and options is in full satisfaction of establishment and security terms as detailed within the Kentgrove Equity Placement Agreement, entered into by the Company and subsequently announced to the market on 15 July 2015.

Pursuant to the Kentgrove Equity Placement Agreement, XTEK confirms the issue of the following shares and unlisted options:

- 950,000 new ordinary shares, comprising 250,000 establishment fee shares and 700,000 collateral shares were allotted and issued on 15 July 2015 and have been allocated into the Company Register. Holding statements will be dispatched to the shareholder (Kentgrove) by Computershare.
- 500,000 unlisted options with an exercise price of \$0.45 per option, expiring on 15 July 2018 were also allotted and issued on 15 July 2015.
- Following the allotment and issue of the 950,000 new ordinary shares, the issued capital of XTEK now comprises 21,077,233 fully paid ordinary shares, with 500,000 unlisted options currently on issue.

An Appendix 3B in respect to these new ordinary shares and unlisted options is annexed and forms part of this overall announcement.

A statement detailing the names of the 20 largest holders of ordinary shares and the percentage of ordinary shares held by each, and a distribution schedule setting out the number of holders in each category, after completion of the new securities issue, is set out overleaf.

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
16 July 2015

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 16 JULY 2015

Shareholder	Number of shares	Voting power	Ranking
UDB Pty Ltd (Boettcher Family A/C)	3,671,935	17.42%	1
Fairlane Management Pty Ltd	2,096,097	9.94%	2
Berend Hoff & Peta Hoff (Hoff Super Fund)	1,576,987	7.48%	3
Allen John Tapp & Maria Polymeneas (Super A/C)	1,184,343	5.62%	4
UDB Pty Ltd (Boettcher Super Fund)	1,158,763	5.50%	5
Advancer Pty Ltd (The Genco Super Fund)	1,132,833	5.37%	6
Kentgrove Capital Pty Ltd (Kentgrove Growthtech A/C)	950,000	4.51%	7
Nicholas Henry Weber (Majura Family A/C)	675,804	3.21%	8
DWKSJK Pty Ltd (Seaweed Investment A/C)	603,090	2.86%	9
Anwat Marketing Pty Ltd	558,807	2.65%	10
Ivan Slavich (Slavich Super Fund-Grouped)	400,720	1.90%	11
Chimaera Pty Ltd (Chimaera Super Fund)	400,000	1.90%	12
Atech Group Pty Ltd (Atech Super Fund)	360,000	1.71%	13
Nigel James French	352,891	1.67%	14
Thomas Bruessel	300,000	1.42%	15
APAM Holdings Pty Ltd (Hector Super Fund)	291,174	1.38%	16
David John Peachey & Sarah Peachey	267,414	1.27%	17
Kalbagrove Pty Ltd (The Annabel Super Fund)	222,726	1.06%	18
Dimitrios Piliouras & Konstantina Piliouras	200,000	0.95%	19
Ian Pryor & Mrs Patricia Pryor (Pryor Super Fund)	200,000	0.95%	20

DISTRIBUTION SCHEDULE OF ORDINARY SHARES AS AT 16 JULY 2015

Distribution	No of Shareholders	Number of Shares
1 – 1,000	189	84,919
1,001 – 5,000	137	369,502
5,001 – 10,000	55	432,038
10,001 – 100,000	92	2,684,410
100,001 and over	28	17,506,364
Total	501	21,077,233

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

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 | <div>1. Ordinary Shares (fully paid)</div> <div>2. Unlisted Options</div> |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <div>1. 950,000 fully paid ordinary shares comprising 250,000 establishment fee shares and 700,000 collateral shares.</div> <div>2. 500,000 unlisted options.</div> |
| 3 | Principal terms of the +securities (e.g. 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) | <div>1. Fully paid ordinary shares.</div> <div>2. Unlisted options have an exercise price of \$0.45 and an expiry date of 15 July 2018.</div> |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date 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>1. Yes.</p> <p>2. Upon exercise of the option, shares issued will rank equally with existing shares.</p>
<p>5 Issue price or consideration</p>	<p>1. 250,000 ordinary shares are issued at a deemed issue price of \$0.40 per share, and 700,000 ordinary shares are issued for nil consideration.</p> <p>2. Nil.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pursuant to the Equity Placement Facility with the Kentgrove Capital GrowthTech Fund announced on 15 July 2018. Funds raised will be used for funding the rollout of XTEK's proprietary XTclave™ technology, general corporate purposes and working capital.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

⁺ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity under Listing Rule 7.1 – 2,069,085 Capacity under Listing Rule 7.1A – N/A				
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	15 July 2015				
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> <tr> <td style="text-align: center; vertical-align: top;">21,077,233</td> <td style="text-align: center; vertical-align: top;">Fully Paid Ordinary Shares</td> </tr> </table>	Number	+Class	21,077,233	Fully Paid Ordinary Shares
Number	+Class					
21,077,233	Fully Paid Ordinary Shares					

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	500,000	Unlisted options exercisable at \$0.45 on or before 15 July 2018
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged.	

Part 2 - Pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	N/A
18 Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19 Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
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 offer documents will be sent to persons entitled	N/A
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.

Appendix 3B

New issue announcement

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

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

⁺ See chapter 19 for defined terms.

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	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date 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 	N/A				
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)</p>	N/A				
42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">⁺Class</th> </tr> <tr> <td style="height: 80px;"></td> <td></td> </tr> </table>	Number	⁺ Class		
Number	⁺ Class					

⁺ See chapter 19 for defined terms.

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 is not available now, we 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.



Lawrence A. Gardiner
Company Secretary
16 July 2015

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	20,127,233 (based on consolidation of share capital on the basis of 1 new share for every 10 existing shares which was approved at the Company’s AGM on 28 November 2014)
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	0
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	20,127,233

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	3,019,085
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>250,000 – establishment fee shares issued to Kentgrove Capital GrowthTech Fund (the subject of this Appendix 3B)</p> <p>700,000 – collateral shares issued to Kentgrove Capital GrowthTech Fund (the subject of this Appendix 3B)</p>
“C”	950,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	3,019,085
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	950,000
Total [“A” x 0.15] – “C”	<p>2,069,085</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	N/A
“E”	N/A

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.10] – “E”	N/A <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.