

Release to the Australian Securities Exchange

Investor Presentation - Non Renounceable Rights Issue

Canberra, Wednesday 9 October 2013: The Company (ASX:XTE) is pleased to announce that today it has commenced its program of Investor Presentations to shareholders and investors for the Non-Renounceable Rights Issue ("**Rights Issue**") as announced to the market on 26 September 2013.

A copy of the Investor Presentation that will be delivered by the Chairman, Mr. Uwe Boettcher is attached and forms part of this overall announcement.

XTEK Ltd 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 website at www.xtek.net

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
Dated: 9 October 2013

Investor Presentation

October 2013



Marching to the beat of the US Military- beyond 2013

Forward Looking Statements

This presentation includes forward-looking statements that are subject to many risks and uncertainties. The risks are discussed in XTEK's ASX announcements and risks associated with economic conditions, movement in exchange rates, industry risk, undersubscribed Rights issue as well as law, regulatory and policy risk. XTEK disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

About XTEK LIMITED (ASX:XTE)

- Provides equipment, training and support to Federal and State Government Departments and Police Forces responsible for Australia's national security
- Has two divisions:
 - An agency division that supplies high quality protective security, tactical and forensics solutions
 - An engineering development division that has created the breakthrough (XTclave™) process
- Located in Canberra, Adelaide and Sydney



Business Model

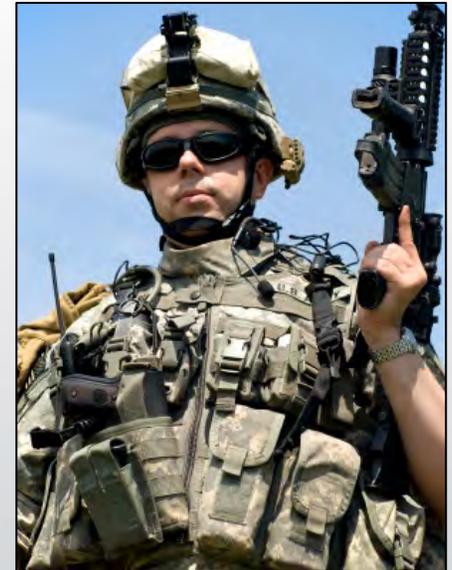
Moving forward XTEK will:

- **Grow revenue from existing products**
- **License the XTclave™ Composite Consolidation Technology (CCT) manufacturing process to established composite manufacturers and system integrators**
- **Focus on early stage commercialisation of XTclave™ manufactured products for emerging markets**
- **Invest in our Unmanned Aerial Vehicles (UAV) capability**



XTclave™ Commercialisation

- **Profit Share Joint Venture with Armor Australia entitling XTEK to a share of profits with possible change to non profit dependent royalties**
- **Non Disclosure Agreements with several global armour manufacturers in place**
- **Non Disclosure Agreement with 1 aircraft manufacturer in place**
- **Technical due diligence of XTclave™ process by global manufacturers underway**
- **Early stage commercial discussions with 1**



Game Changer – XTclave™

- XTEK took the XTclave™ technology from the laboratory to a commercial scale production plant in just five years
- XTEK has completed the first large scale XTclave™ CCT production plant
- Production plant has manufactured body armour for the Danish Army
- Unique process using circulating fluids at high temperature and high pressure to achieve excellent and even bonding



XTclave™ Plant



XTEK has Attracted the Might of the US Military

- **United States DoD Comparative Testing Office (CTO) awarded XTEK a contract for approximately \$1.5m**
- **Purpose - to develop advanced lightweight hard armour plate solutions using XTEK's novel XTclave™ isostatic composite consolidation technology**
- **This program is potentially key to future body armour contracts for the US Army and validates the XTclave™ technology**
- **Great potential. The US armour market is the largest armour market in the world for best quality body armour plates and other armour requirements**

XTEK's Advanced CCT is Capable of Producing:

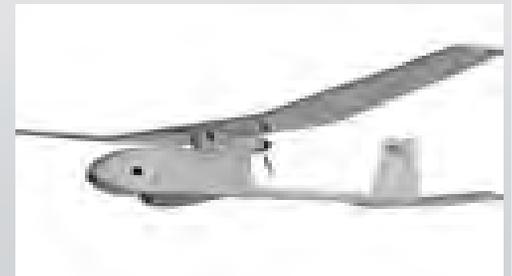
- **Lighter weight equipment and technology to reduce weight for soldiers**
- **Lighter weight hard armour protection for reducing the weight of armour without compromising protection and combat performance**
- **Lighter weight hard armour protection for aircraft and vehicles**
- **Lighter, stronger or stiffer composite articles that can be used in other industries - aerospace, aviation, automotive, marine and wind energy**

Market Size

- **Personal Protection Body Armour market in the US DoD market is for around 1.5 million sets of body armour plates**
- **US Homeland Security Market requires about 1 million lighter weight armour plates to meet the needs of over 18,000 law enforcement agencies**
- **Global Armour Market (Ex US) outside the US is likely to exceed 5 million over next decade - 1 million could be very low weight, high protection**
- **Lighter Weight Hard Armour Protection for Aircraft and Vehicles as the XTclave™ enhances 'weight' ratios in an efficient batch process**

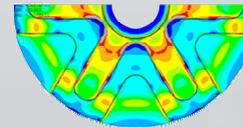
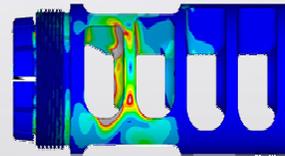
Market Size - Continued

- Demand for lighter weight equipment for soldiers exceeds 5 million small items - 1 million components could be made of composites using the XTclave™ CCT process
- Potential for XTclave™ in UAV Market which is evolving rapidly with an expected demand of 50,000 UAVs through to 2019
- Potential in Wind Turbine Market - XTEK plans to research and develop future opportunities
- Potential in Transportation Markets - XTEK will research and identify opportunities for the XTclave™ manufacturing process



XTEK's IP Powerhouse

- XTEK has lodged an Australian Patent application in July 2011 to protect XTclave™ technology and a Patent Cooperation Treaty (PCT) lodgement followed. These patents are key to XTEK's unrivalled competitive advantage and future financial success
- Bespoke design and manufacturing for Special Forces



Investment Opportunity

- **Seeking \$679,291.21 in Rights Issue with Shortfall Shares available to sophisticated investors**
- **Discounted share value of 2.7 cents with market price of 3.3 cents**
- **Pre-money valuation of just under \$5m**
- **Market cap of just under \$5.5m if the Rights Issue is fully subscribed**

Value Proposition

- **Increased revenue by 7% last year despite reduced Defence spending**
- **Budgeting for further revenue increases this year**
- **Revenue from US DoD CTO this year can largely go to the bottom line**
- **Expect meaningful revenue from JV and / or licence fees for XTclave™ next year**
- **Development work with US DoD CTO opens the door to lucrative body armour opportunities for global manufacturers**
- **Explore M&A opportunities to consolidate Defence and Homeland Security businesses**

Questions