

Release to the Australian Securities Exchange

Market Update

Canberra – Thursday 16 May 2013: XTEK Limited (ASX:XTE) is pleased to provide the following market update:

- New Board Appointment
XTEK Limited (ASX:XTE) is pleased to announce the appointment of Mr. Lawrie Broadbent, to the XTEK Board of Directors, effective from 28 May 2013. Mr. Broadbent is a Certified Practising Accountant (CPA Australia) with some 34 years experience in the industry as a practising accountant.
- Joint Venture with Armor Australia
Armor Australia has advised that the significant order for body armour plates expected from an overseas (Middle East) defence client has not materialised to date and that quotes as issued by the Armor Australia representative in the region have now lapsed. Whilst this is a disappointment for the Joint Venture (JV) partners, Armor Australia has been successful in securing another order for the supply of body armour plates to the value of \$1.5m from an overseas client. Production to fulfil this order is currently underway utilising the JV XTclave™ plant.
- XTEK Products
Considerable success has been achieved by the Company in the design, development and marketing of specialist weapon ancillary parts for use by the military and police. Recently a significant order was received from a Defence client for the supply of XTEK weapon ancillary parts. This demonstrates XTEK's diverse engineering capability beyond XTclave™.
- TRACE Membership
TRACE International Inc (TRACE) has just issued XTEK with an Intermediary Membership Certificate after successfully completing a TRACE Standard due diligence review of XTEK. The granting of the TRACE Certificate of Membership signifies XTEK's commitment to transparency in international commercial transactions. TRACE membership offers a marketing advantage to commercial intermediaries like XTEK, by establishing a conduit between them and their international business partners.
- Financial Facility
Recently the Company secured a finance facility to the value of \$350,000.00 with related parties. This finance facility allows additional business flexibility for the Company. The facility has not been drawn upon to date.

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 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 A Gardiner
Company Secretary
16 May 2013