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Mr Gonzalo Valencia
ASX Limited
Senior Adviser, Issuers, Melbourne
Level 45, Rialto South Tower
525 Collins Street, Melbourne VIC 3000
Email: gonzalo.valencia@asx.com.au

3 November 2009

Dear Mr. Valencia,

Re: XTEK Limited Appendix 3 Y – Change of Director’s Interest Notice

I am writing in respect to your letter dated 29th October 2009 concerning the late lodgment of an Appendix 3Y for Mr. Uwe Boettcher, a Director of XTEK Limited. In responding to the questions as raised in your correspondence, I am able to offer the following information:

Question 1 Please explain why the Appendix was lodged late.

Answer: The late lodgment of the Appendix 3Y was primarily due to the absence of the Company Secretary whilst on annual leave and in a remote area of Western Australia. Under existing arrangements, the Company Secretary files all such notices (electronically) on behalf of all Directors on receipt of their disclosure notice or statement, however on this occasion due to the non availability of the Company Secretary, the significant change in holdings by Mr. Boettcher was not disclosed on an Appendix 3Y. Mr. Boettcher had duly completed a Form 604 and lodged this with the ASX for release to the market on 1st October 2009.

Question 2 What arrangements does the Company have in place with its Directors to ensure compliance with disclosure obligations under Listing Rule 3.19A

Answer: The Company has in place formal contractual agreements with all Directors that require their compliance with disclosure obligations under Listing Rule 3.19A. These arrangements require close liaison between all Directors and the Company Secretary to ensure the relevant reporting processes have been employed. Mr. Boettcher duly followed this procedure and completed all necessary forms.

Question 3 If current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with Listing Rule 3.19B.

Answer: Current arrangements that are in force for meeting disclosure obligations under Listing Rules 3.19A and 3.19B are considered suitable and have been enforced with all Directors appointed to the Board since the Company became a listed entity in 2005. However, given the circumstances surrounding this incident involving the absence of the Company Secretary, the Company has now put in place additional measures to ensure compliance with Listing Rules 3.19A and 3.19B.

Please be assured that the late lodgment of the Appendix 3Y to cover the significant change of interests for Mr. Boettcher was not intentional and only occurred due to the circumstances as described above. Suitable relief arrangements have been initiated by the Company to cover disclosure obligations in the absence of the Company Secretary. This will enable continuous communication capability for business purposes.

I trust the above information is to your satisfaction, should you require any further information in respect to this matter please contact myself in the first instance.

Yours sincerely



Lawrence A. Gardiner
Company Secretary
For and on behalf of
XTEK Limited



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29 October 2009

Mr Lawrence Gardiner
Company Secretary
Xtek Limited
25 Yallourn Street
FYSHWICK ACT 2609

By email only

Dear Lawrence

Xtek Limited (the “Company”) Appendix 3Y – Change of Director’s Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 22 October 2009 for Mr Uwe Boettcher.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity’s admission or a director’s appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listing rules 3.19A and 3.19B.

As the Appendix 3Y indicates that a change in the director's relevant interests occurred on 29 September 2009, it appears that the Director's Notice should have been lodged with ASX by 6 October 2009. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by return e-mail or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Wednesday, 4 November 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Gonzalo Valencia
Senior Adviser, Issuers (Melbourne)