

Market Update – XTEK Hydroclave Technology

Canberra, Friday 21 October 2011: XTEK (ASX: XTE) is pleased to announce that the Company has concluded successful negotiations with the United States Army for the potential use of its patented Hydroclave technology. The discussions were extremely positive and provided XTEK with an opportunity to outline the significant advantages that its Hydroclave process provides when compared to traditional manufacturing capabilities.

The parties are developing a business plan to confirm the future collaborative working arrangements. Further details will be provided to the market once formal arrangements have been concluded.

XTEK 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

Dated: 21 October 2011