

Release to the Australian Securities Exchange

XTEK SECURES AUSTRALIAN DEFENCE FORCE CONTRACT FOR SUPPORT OF SMALL UNMANNED AERIAL SYSTEMS

Highlights:

- **XTEK secures contract for support and maintenance of ADF's fleet of small unmanned aerial systems.**
- **As part of the contract, it is anticipated that the ADF will shortly place an initial purchase order with XTEK to the value of more than \$1 million for support services.**
- **The support contract is for an initial term of three years with options to extend for two further periods of 12 months' duration.**
- **The contract further positions XTEK as an ideal partner to the Federal Government's strategy to increase local content in defence contracts.**

Canberra – 21 September 2016: XTEK Limited (ASX:XTE, 'the Company') is pleased to announce that the Company has been awarded an Australian Defence Force (ADF) contract for the support, maintenance and repair of the initial fleet of Small Unmanned Aerial Systems (SUAS) ordered by the Australian Army in the 2015 financial year.

The maintenance work for the SUAS fleet will primarily be conducted at XTEK's Symonston facility in the ACT. Some work, such as composite part repairs, will be conducted at XTEK's Elizabeth facility, in SA.

In April 2016, the Company was selected by the ADF as the preferred tenderer for the Land 129 Phase 4 project. This project involves the supply, maintenance and repair of a larger SUAS fleet. This project should obtain Government second pass funding approval in April 2017.

The Company is currently in interactive contract negotiations with the ADF to confirm the size and scope of the acquisition and supply contracts for Land 129. XTEK expects to sign a commercial contract with the ADF in FY17. The size of the contract cannot be determined until negotiations are complete and Government approval has been secured.

"This is an exciting announcement as there is potential to increase the scope of support services to the ADF as it increases its fleet of small unmanned aerial systems to meet ongoing operational requirements. The contract also reaffirms our belief that XTEK is well placed to help the Federal Government achieve its goal of increasing local content in defence procurement," said XTEK's Chairman, Uwe Boettcher.

"We have made a strong start to the 2017 financial year and we are working hard to ensure that we continue to build on the strong reputation that we have developed as a leader in the Australian Homeland Security Market."

About XTEK Limited

XTEK Limited is the only listed homeland security specialist in Australia, providing high-quality protective, security, tactical and forensics solutions to the government, law enforcement, military and commercial sectors.

XTEK is developing, on behalf of the US Department of Defense, advanced lightweight hard armour plate solutions using its proprietary XTclave™ isostatic composite consolidation technology. This program validates XTclave™, and is potentially key to future body armour contracts for the US armour market, the largest armour market in the world for high quality body armour plates and other armour requirements.

XTEK is also focusing on the Unmanned Aerial System market for defence and commercial applications, including mapping, surveying, 3D modelling, photography and asset inspection. As well as developing its own range of commercial SUAS, XTEK also has an exclusive regional agency distribution agreement with AeroVironment for SUAS.

For more information visit the XTEK website at www.xtek.net

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
21 September 2016