

Release to the Australian Securities Exchange

Market Update - Small Unmanned Aerial Systems Acquisition Contract

- **XTEK formally signed the previously announced contract for WASP AE Small Unmanned Aerial Systems (SUAS) today with the Commonwealth of Australia.**
- **This acquisition contract covers the delivery of a range of products to the Australian Defence Force (ADF), worth approximately A\$42m.**
- **Delivery over three years, commencing 1 July 2018.**
- **Includes Australian products such as the Kestrel software suite from Sentient Vision Systems and Tacex from General Dynamics Mediarware.**
- **XTEK has also signed a subcontract with AeroVironment, the largest supplier of SUAS to the US military and more than 40 allied countries.**
- **An SUAS maintenance contract will be signed later to provide a local Australian maintenance and support capability to the ADF.**

Canberra – Tuesday, 25 July 2017: XTEK Limited (ASX: XTE) is pleased to provide an update to the market on progress with its SUAS agreement as announced to the ASX on 1 June 2017. This follows the formal signing of the contract today.

XTEK, as the prime contractor under the agreement, will be delivering a range of products worth approximately A\$42 million to the ADF, excluding maintenance costs, over three years, commencing 1 July 2018.

XTEK will act as the supplier of the WASP AE for US-based firm AeroVironment, the largest supplier of small military UAV's to the U.S. military and more than 40 allied countries around the world. A formal subcontract has also been signed with AeroVironment today.

In addition to the primary WASP AE, the following Australian products are also included:

- the Kestrel software suite from Sentient Vision Systems which detects moving targets in full motion video (FMV) from manned aircraft, helicopters or UAVs; and
- Tacex from General Dynamics Mediarware, software for motion imagery exploitation.

Mr Philippe Odouard, Managing Director of XTEK added: "This is a very important day for the Australian Defence as XTEK and AeroVironment will deliver the WASP AE SUAS capability to all the relevant units in the Army. It also offers a number of Australian designed and supplied items bringing a higher level of information gathering to the warfighter. "

Mr. David Sharpin, Vice President of AeroVironment's Tactical UAS Business, said: "This contract to supply WASP AE small UAV systems to support the Australian Defence Force is the result of 10 years of work with XTEK and the Commonwealth, including thorough operational tests, bringing small UAVs compatible with the US operations to Australia, and with substantial enhancements from Australian companies"

About XTEK Limited

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 sustainment solutions for the government, law enforcement, military and commercial sectors.

The supply, maintenance and value adding to Small Unmanned Aerial Systems is a major focus for XTEK.

In addition, XTEK has developed a range of new technologies which it is now commercialising for the international market. XTclave™ composite protection products and XTatlas™ real time contextual video provide novel solutions for western military forces.

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

Signed for and on behalf of XTEK Limited:



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25 July 2017

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