

Release to the Australian Securities Exchange

XTEK ANNOUNCES OVERSUBSCRIBED PLACEMENT AND SHARE PURCHASE PLAN TO FUND GROWTH

- **Oversubscribed Placement to sophisticated and institutional investors raising A\$3.0 million at an issue price of A\$0.46 per share**
- **Eligible shareholders will have the opportunity to participate via a SPP at the same issue price to raise an additional A\$0.5 million**
- **Funds raised will be used to accelerate the development and commercialisation of XTEK's XTclave™ and XTatlas™ technologies, and to provide working capital for growth from major contract wins**

Canberra – 28 June 2017: XTEK Limited (ASX: XTE, the “Company”) is pleased to announce that it has successfully completed a significantly oversubscribed placement to institutional and sophisticated investors with commitments received to raise A\$3.0 million (“Placement”).

The Placement was conducted at an issue price of A\$0.46 a share, representing a 16.4% discount to XTEK's last closing price of A\$0.55 (as at Friday, 23 June 2017), and a 11.3% discount to the 5 day VWAP (volume weighted average price) of A\$0.52. The Placement was oversubscribed with strong support from existing and new institutional and sophisticated investors. Patersons Securities acted as Sole Lead Manager to the Placement.

Share Purchase Plan

XTEK's eligible shareholders will also have the opportunity to participate via a Share Purchase Plan (“SPP”) at the same issue price of A\$0.46 per share. The SPP, which is not underwritten, will be targeting to raise A\$0.5 million.

The new shares issued under the Placement and the SPP will be issued on the same terms as, and will rank equally with, existing XTEK shares. Board and management have stated their intention to participate up to the maximum available investment in the SPP.

The record date for participation in the SPP is Tuesday, 27 June 2017 and full details will be sent to investors over the coming days.

Use of proceeds and indicative timetable

Funds raised from the Placement and SPP will be primarily used for:

- **XTclave™ commercialisation** – including the construction of XTEK's own commercial scale XTclave™ production plant and ancillary equipment, allowing XTEK to continue the promotion of its technology on the world market. This will allow XTEK to produce commercial quantities of its advanced XTclave™ personal hard armour ballistic protection plates
- **XTatlas™ technology development** – the commercialisation of XTatlas™ through its existing and future unmanned aircraft system contracts is a key focus for the Company
- **Expansion capital** to allow the achievement of revenue guidance and pursue more and larger contracts in the future
- **Costs of the Placement and SPP**

The proposed timetable for the Placement and SPP is as follows:

Record date for SPP	5:00pm AEST, Tuesday, 27 June 2017
Placement and SPP announced and Company resumes trading	Wednesday, 28 June 2017
Settlement of Placement	Friday, 30 June 2017
Dispatch SPP booklet to shareholders	Monday, 3 July 2017
Closing date for SPP	Monday, 24 July 2017
Allotment date for SPP securities	Monday, 31 July 2017
Commencement of trading of new shares on ASX	Tuesday, 1 August 2017

The above timetable is indicative only and may change without notice.

"We are pleased by the considerable support shown during this equity raising. It reflects a strong endorsement from the investment community and XTEK's shareholders and places the Company in a very strong position to accelerate the growth of the business and to benefit from the global trend of increased government spending on security equipment and technology in the face of growing global uncertainty," said XTEK's Managing Director, Philippe Odouard.

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 and maintenance of Small Unmanned Aerial Systems (SUAS) is becoming 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 and valuable solutions for western military and homeland defence forces.

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

Signed for and on behalf of XTEK Limited:



Lawrence Gardiner
Company Secretary
28 June 2017

Media enquiries:
Harrison Polites
E: harrison.polites@mcpartners.com.au
M: 0409 623 618