

Release to the Australian Securities Exchange

Completion of Large Scale XTclave™ Armour Technology Plant

Canberra – Tuesday, 3 July 2012

XTEK Limited (XTE) is pleased to announce that the Company has successfully completed manufacture of it's first large scale XTclave™ composite consolidation technology production plant.

The XTclave™ production plant will be capable of processing more than 1,000 high tech body armour plates per day using the novel and patented XTclave™ technology process.

Completion of the XTclave™ production plant will enable advanced XTclave™ ballistic armour products to be manufactured and supplied to Defence and Law Enforcement agencies worldwide.

The completed XTclave™ production plant is the culmination of extensive research and development work undertaken by the Company over the past five years.

XTEK XTclave™ Production Plant



The Company has achieved the following milestones along the way:

- 2007 - Initial XTclave™ design concept developed by Company staff;
- 2008 - Multiple small prototype XTclave™ plant successfully designed and built;
- 2009 - Manufacture of pilot XTclave™ plant allows for the production of XTclave™ armour plates;
- Jan 2011 - XTclave™ armour passes independent ballistic testing and achieves increased protection whilst delivering weight savings;
- Jul 2011 - Patent lodged to protect XTclave™ technology;
- Oct 2011 - Following international exposure of the XTclave™ technology, the US Department of Defense (Comparative Testing Office) expresses an interest in assessing the advanced capabilities of the XTclave™ armour technology process;
- Dec 2011 - Joint Venture (JV) Agreement signed with Armor Australia, allowing for the construction of first commercial scale production plant and subsequent processing of XTclave™ armour products;
- May 2012 - Success in applying for and being awarded an Export Market Development Grant by the Australian Government for XTclave™ technology; and
- Jul 2012 - First large scale commercial XTclave™ production plant successfully manufactured.

In only 5 years the Company has successfully moved the XTclave™ technology from a design concept stage in 2007, to a commercial scale production plant in 2012 that has the potential to provide significant financial return to the Company.

The Company believes that its novel XTclave™ technology has significant potential beyond the manufacture of ballistic armour systems and is currently investigating opportunities to diversify into further technical fields.

The ability of XTclave™ technology to consistently produce advanced technical composites, such as precision, void-free, structural carbon-fibre reinforced laminates, capable of withstanding extreme thermal loading is significant. It is believed that this could have considerable utility in areas such as the aerospace and aviation industries, in which small numbers of high-value products are routinely manufactured to exacting standards.

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 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
3 July 2012