

Release to the Australian Securities Exchange

XTEK receives purchase order for SUAS spare parts

Canberra – Thursday, 22 November 2018: XTEK Limited (ASX: XTE, 'XTEK', the 'Company') is pleased to announce it has received purchase orders totaling \$6.3m from the Australian Defence Force (ADF) for spare parts to support the Small Unmanned Aerial Systems (SUAS) fleet under the Land 129 Phase 4a Contract.

Key highlights:

- Purchase order of A\$6.3m for spare SUAS parts received from the ADF
- Completed installation of comprehensive SUAS repair facilities in Canberra
- XTEK repair facilities well placed to capture future SUAS repair and maintenance revenue

Following the initial delivery of SUAS to Army, this order will primarily provide SUAS spare parts for users in the field.

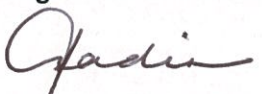
In addition, the Company has completed installation of a sophisticated repair facility in Canberra. The facility incorporates key maintenance equipment from AeroVironment (NASDAQ: AVAV) which enables electronic repairs. A composite repair facility has also been installed in parallel. These facilities are now set up to provide a range of Australian Industry Capabilities (AIC) to repair and refurbish the existing fleet of SUAS. XTEK has recently commissioned the composite repair facility for SUAS and final sign off to use the AIC electronics repair, calibration and test facility is expected in November 2018.

The XTEK AIC repair facilities in Canberra will, in time, reduce the overall support costs for the SUAS fleet and provide the only maintenance facility for the AeroVironment WASP AE outside the United States, ensuring XTEK is well placed to capture future potential revenue streams from ongoing repair and maintenance of the ADF's growing SUAS fleet.

General Manager of AeroVironment's Unmanned Aircraft Systems business Kirk Flittie commented:
"We are proud to team with XTEK in support of the Australian Defence Force. We look forward to working together as a team as we help Australian troops employ our small unmanned aircraft systems to secure the actionable intelligence they need to proceed with certainty"

XTEK Managing Director Philippe Odouard commented: *"These purchase orders, coupled with the repair facilities in Canberra, represent another significant milestone in XTEK's strategy to increase the amount of work done by the Company in adding value for original equipment manufacturer (OEM) products sold in Australia. We are excited to be providing this unique Australian Industry Capability to the ADF."*

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
22 November 2018

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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 currently a major focus for XTEK. In addition, XTEK has developed a range of new technologies which it is now commercialising for the domestic and 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