

Release to the Australian Securities Exchange Non-Renounceable Rights Issue – Revised Timetable

On 28 July 2010, XTEK Limited (ASX: XTE) announced an offer to eligible shareholders to participate in a 2 for 5 non-renounceable rights issue ("**Rights Issue**") to raise up to approximately \$970,000.

XTEK advises that it is continuing with the Rights Issue as announced on 28 July 2010, with some minor changes to the timetable for the Rights Issue. These changes are set out in the revised proposed timetable below. As part of the changes to the timetable, XTEK has lodged a replacement "Cleansing Notice" and a replacement Appendix 3B in respect of the Rights Issue today.

Revised Timetable for the Rights Issue

The revised proposed timetable for the Rights Issue is as follows:

Revised Timetable

New announcement regarding the Rights Issue and the lodgement of replacement Appendix 3B and replacement Cleansing Notice	Fri, 30 July 2010
Dispatch of notices to Shareholders informing them of the Rights Issue and the indicative timetable	Mon, 2 August 2010
Ex-date – the date on which Shares commence trading without the Entitlement to participate in the Rights Issue	Wed, 4 August 2010
Record Date for Entitlement to participate in the Rights Issue	Tues, 10 August 2010
Offer Document and Entitlement and Acceptance Form dispatched to Shareholders	Wed, 11 August 2010
Closing Date for Receipt of Entitlement and Acceptance Form	Wed, 25 August 2010
Shares are quoted on a deferred settlement basis	Thu, 26 August 2010
ASX notified of under-subscriptions	Mon, 30 August 2010
New Shares are allotted	Wed, 1 September 2010
Holding Statements are dispatched to Shareholders	Thu, 2 September 2010
Normal ASX trading for New Shares commences	Fri, 3 September 2010

Subject to the ASX Listing Rules, the Closing Date may be extended. This would impact on subsequent dates in the above timetable.

Eligibility to Participate in the Rights Issue

Shareholders at the Record Date with a registered address outside of Australia or New Zealand will not be eligible to participate in the Rights Issue, unless XTEK is satisfied that it is not precluded from lawfully issuing New Shares to that shareholder.

Offer Document

The Offer Document will be sent to Shareholders on Wednesday, 11 August 2010 in accordance with the revised timetable above.

XTEK Ltd is the 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
Dated: 30 July 2010

**REPLACEMENT CLEANSING NOTICE UNDER SECTION 708AA(2)(f) OF THE
CORPORATIONS ACT 2001 (AS NOTIONALLY MODIFIED BY
ASIC CLASS ORDER [CO 08/35])**

30 July 2010

This notice is given by XTEK Limited (ASX: XTE) (**XTEK**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by ASIC Class Order [CO 08/35] (**CO 08/35**)) and replaces the "cleansing notice" given by XTEK on 28 July 2010.

On 28 July 2010, XTEK announced that it proposed to make a non-renounceable rights issue to eligible shareholders of 2 new ordinary shares for every 5 ordinary shares at an issue price of \$0.026 per share, to raise up to approximately \$970,000 (**Rights Issue**).

On 30 July 2010, XTEK announced that it is continuing with the Rights Issue as announced on 28 July 2010, with some minor amendments to the key dates, including that the relevant record date for participation in the Rights Issue will be Tuesday, 10 August 2010 (**Record Date**).

In addition to being able to apply for new fully paid ordinary shares in the capital of XTEK under the Rights Issue (**New Shares**), shareholders who take up their full entitlement under the Rights Issue will be able to apply for additional shares in XTEK out of any New Shares for which subscriptions are not made under the Rights Issue (**Shortfall Shares**).

An Offer Document in relation to the Rights Issue, together with an Entitlement and Acceptance Form, will be dispatched to all shareholders on Wednesday, 11 August 2010.

Pursuant to section 708AA(2)(f) of the Corporations Act, XTEK advises as follows:

1. XTEK will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. XTEK is giving this notice under section 708AA(2)(f) of the Corporations Act (as notionally modified by CO 08/35).
3. As at the date of this notice, XTEK has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to XTEK; and
 - (b) section 674 of the Corporations Act.
4. As at the date of this notice there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors or their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of XTEK; or
 - (ii) the rights and liabilities attaching to the New Shares.
5. The potential effect the Rights Issue will have on the control of XTEK and the potential consequences of that effect are as follows:
 - (a) As at the date of this notice, the issued share capital of XTEK consists of 93,297,269 issued fully paid ordinary shares (**Shares**).

- (b) UDB Pty Ltd (ACN 079 631 931) and its associates (**UDB**) hold a relevant interest in 17,827,478 Shares, which equates to a voting power in XTEK of 19.11%. Advancer Pty Ltd (ACN 110 746 248) and its associates (**Advancer**) hold a relevant interest in 8,900,915 Shares, which equates to a voting power in XTEK of 9.54%. UDB and Advancer are XTEK's 2 largest shareholders. UDB and Advancer are not associates of one another.
- (c) UDB and Advancer have indicated to XTEK that they each intend to take up their full entitlement to New Shares under the Rights Issue. UDB will not apply for any Shares in excess of its entitlement (ie. UDB will not subscribe for any Shortfall Shares). Advancer has advised of an intention to subscribe to any Shortfall Shares.
- (d) If the Rights Issue is fully subscribed (or the Shortfall Shares are fully subscribed by persons other than UDB and Advancer), there will be no effect on the control of XTEK. In these circumstances, UDB and Advancer will continue to hold 19.11% and 9.54% of the Shares respectively.
- (e) If the Rights Issue is taken up only by UDB and Advancer and no Shortfall Shares are issued, then the shareholding of UDB will increase from 19.11% to 24.00% and the shareholding of Advancer will increase from 9.54% to 11.98%. Although in these circumstances, the increase in UDB's shareholding in particular (of up to almost 5%) may possibly consolidate the ability of UDB to exercise a greater degree of influence over the affairs of XTEK through its voting rights as a shareholder, the Rights Issue is not expected to have a significant effect or consequence on the control of XTEK.
- (f) As Advancer has indicated an intention to apply for Shortfall Shares, it is possible that its shareholding in XTEK may increase from 9.54% to up to 19.99%. In these circumstances, the increase in Advancer's shareholding may consolidate the ability of Advancer to exercise a greater degree of influence over the affairs of XTEK through its voting rights as a shareholder.

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary

Dated: 30 July 2010

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

XTEK Limited (XTE)

ABN

90 103 629 107

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares (fully paid) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 37,318,892 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The fully paid ordinary shares will be issued on the same terms as the existing fully paid ordinary shares on issue. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the ⁺ securities rank equally in all respects from the date of allotment with an existing ⁺ class of quoted ⁺ securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes	
5	Issue price or consideration	\$0.026 per share	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the issue is to raise up to approximately \$970,000 (before transaction costs) which will be used by the Company to supplement working capital following a restructure and to better position the Company to comprehensively address new and ongoing initiatives to grow the business.	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	2 September 2010	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number Currently, 93,297,269 fully paid ordinary shares are quoted. Up to 130,616,135 fully paid ordinary shares will be quoted on completion of the Rights Issue.	⁺ Class Ordinary

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		500,000 NIL*	Unlisted Options *Performance Rights Change reflects lapse of 1,060,000 performance rights as at 30 June 2010 which failed to vest.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non - renounceable
13	Ratio in which the ⁺ securities will be offered	2 new shares for every 5 shares held at the Record Date
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary shares
15	⁺ Record date to determine entitlements	Tuesday, 10 August 2010
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A – All holdings are on the same register
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	The offer will not be made to security holders with registered addresses outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing new shares to a shareholder with a registered address outside Australia or New Zealand under the Rights Issue
19	Closing date for receipt of acceptances or renunciations	Renunciations – Not Applicable Acceptances – Wednesday, 25 August 2010

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A – The Rights Issue is not underwritten
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Wednesday, 11 August 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

⁺ See chapter 19 for defined terms.

- | | | |
|----|---|----------------------------|
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Despatch date | Thursday, 2 September 2010 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Print name: Lawrence A. Gardiner
Position: Company Secretary
Date: 30 July 2010

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+ See chapter 19 for defined terms.