



XTEK LTD
ABN 90 103 629 107



Release to the Australian Securities Exchange

Market Update

Canberra, 11 October 2010 The Directors wish to provide a market update on business operations of the Company. This update follows on from previous market announcements as released to the market.

Change Program

A Change Program has been implemented throughout the Company which is progressing well in all aspects. Specific outcomes from this change program to date have been:

- The management and business restructure has been completed and the Company is on target to achieve the \$1m reductions in recurring expenditure for FY 2010/2011.
- The change process has been accepted and embraced positively by all management and staff to provide an efficient and cohesive approach to business operations, thus enhancing shareholder value.
- A new business system for accounts, inventory management and job quoting is being implemented and will 'go live' on 8 November 2010; and
- The new Company web site as developed will 'go live' in two parts, with the first part being the actual web site which was commissioned on 8 October 2010 and the second part being the integration with the Inventory Control System on 8 November 2010

Off-Market Share Transactions

In addition to the recent successful Rights Issue that was taken up by shareholders, a significant number of Company securities have been traded through off market share transactions. 3 million shares have been transferred at a price of \$0.034.

XTEK Ltd 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
Dated: 11 October 2010