NOTICE OF ANNUAL GENERAL MEETING
Wednesday 28 November 2012

Notice is hereby given that the Annual General Meeting of the Shareholders of XTEK Limited ('**Company**' or '**XTEK**') will be held at the Canberra Business Event Centre, Regatta Point, Commonwealth Park, Acton ACT, commencing at 12:00 noon on Wednesday 28 November 2012. The details of the resolutions contained in the Notes accompanying this Notice of General Meeting should be read together with and form part of this Notice of Annual General Meeting.

ORDINARY BUSINESS

1. Chairman's Address

2. Financial Statements and Reports

To receive and consider:

- the Financial Report;
- the Directors' Report; and
- the Auditor's Report for the financial year ended 30 June 2012.

Note: The Auditor of XTEK, or their representative, will be available to receive questions relevant to the Financial Report and the Auditor's Report.

3. Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report, as set out in the Annual Report for the Financial Year ended 30 June 2012, be adopted".

Note: The vote on this resolution is advisory only and does not bind the Company or its Directors.

4. Resolution 2 – Election of Mr. Uwe Boettcher as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purpose of section 201H(3) of the Corporations Act and for all other purposes, Shareholders confirm the appointment of Mr. Uwe Boettcher, being a retiring Director and being eligible, be re-elected as a Director of the Company".

OTHER BUSINESS

5. Other Business

To transact any other business that may be legally brought forward at the AGM.

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DETERMINATION OF VOTING ENTITLEMENTS

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, for the purposes of the meeting, only persons holding shares at 7.00pm on 26 November 2012 will be treated as Shareholders. This means that only those persons who are the registered holders of shares at that time will be entitled to attend and vote at the Annual General Meeting.

By Order of the Board
Lawrence A Gardiner
Company Secretary

17 October 2012

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EXPLANATORY STATEMENT

PURPOSE OF INFORMATION

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Annual General Meeting dated 17 October 2012) is to provide members with an explanation of the business of the meeting and of the resolutions to be proposed and considered at the Annual General Meeting (**AGM**) to be held on Wednesday 28 November 2012 commencing at 12:00noon at the Canberra Business Event Centre, Regatta Point, Commonwealth Park, Acton ACT and to assist members to determine how they wish to vote on each resolution.

FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act, the Directors of a public company are required to hold an Annual General Meeting and must table the financial statements and reports of the Company (including the Directors' Report and Auditor's Report) for the previous financial year before the members at that Annual General Meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements, the Directors' Report and Auditor's Report in the Annual Report of the Company for the year ended 30 June 2012. A copy of the Annual Report has been forwarded to each Shareholder (other than those Shareholders who have previously notified the Company that they elect not to receive the Annual Report, whether in paper form or electronically). Any Shareholder who has made this election and now wishes to receive a paper or electronic copy of the Annual Report should contact the Company to arrange receipt. The Annual Report can also be viewed, printed and downloaded from the Company's website www.xtek.net. A copy of the financial statements, the Directors' Report and the Auditor's Report will also be tabled at the meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the Annual General Meeting is to provide the Shareholders with the opportunity to be able to ask questions or discuss matters arising from the financial statements and/or the reports at the meeting. It is not the purpose of the meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt, receive or consider the Company's financial statements or the reports (other than the Remuneration Report) will be put to the Shareholders at the meeting.

Members will be given a reasonable opportunity at the meeting to ask questions and make comments on the financial statements and the reports. The Company's Auditor will also be available to receive questions and comments from Shareholders about the preparation and content of the financial statements and the Auditor's Report and the conduct of the audit generally.

Further, any Shareholder entitled to cast a vote at the AGM may submit written questions to the Auditor if:

(a) the question is relevant to:
  (i) the content of the Auditor's Report to be considered at the AGM; or
  (ii) the conduct of the audit of the 2012 financial report to be considered at the AGM; and

(b) the Shareholder gives the question to the Company no later then the 5 business days before the day on which the AGM is to be held.

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REMUNERATION REPORT (Resolution 1)

The Directors' Report for the year ended 30 June 2012 contains a Remuneration Report, which sets out the policy for remuneration of the Directors and the Company Secretary.

The Corporations Act requires that a resolution be put to the Shareholders of listed companies at their Annual General Meetings that the Remuneration Report be adopted.

The Corporations Act expressly provides that the vote is advisory only and does not bind the Directors or the Company.

Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

ELECTION OF MR. UWE BOETTCHER AS A DIRECTOR (Resolution 2)

Clause 6.1 (f) and (g) of the Company's Constitution requires at least one Director retire from office and be subject to re-election (if sought).at the next Annual General Meeting of the Company, when the Director may be re-elected. In accordance with Clause 6.1 (g), Mr. Boettcher has agreed to retire at the 2012 AGM. He is eligible for re-election and is seeking re-appointment as a Director.

Biography of Mr. Uwe Boettcher Non-Executive Director

Mr. Uwe Boettcher, aged 60, was appointed a Director of the Company on 28 April 2009 and subsequently appointed Chairman of the Company on 25 June 2009. Mr. Boettcher is the Principal of the law firm, Boettcher Law, starting his career at the firm now known as King & Wood Mallesons and most recently having been a partner at Abbott Tout Lawyers. He is a Fellow of the Australian and New Zealand College of Notaries and a practicing Notary Public. He was appointed as a Fellow of the Australian Institute of Banking and Finance in 2005 and of FINSIA in 2007. Last year he was appointed as a Foundation Fellow of the Australian Association of Angel Investors. In 1996/97 he was the Treasurer of the ACT Law Society. He is a past Chairman of the National Health Sciences Centre Limited and the Australasian Legal Alliance.

Other Directorships

Chairman of Kord Defence Pty Limited, KordTech Pty Limited and Wet PC Pty Limited;
Chairman of GPSports Systems Pty Limited;
Director of Capital Angels Pty Limited; and
Director of Manuka Corporate Pty Limited.

Voting Statement

The Voting Statement relating to all resolutions is included in the Notice of Meeting.

By Order of the Board

Lawrence A Gardiner
Company Secretary

Dated: 17 October 2012

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INFORMATION FOR SHAREHOLDERS

Voting and Proxy Votes

1. A member entitled to attend and vote at the meeting has a right to appoint a proxy.
2. The proxy need not be a member of the Company.
3. A member who is entitled to cast two or more votes may appoint up to two proxies and, in the case of such an appointment, may specify the proportion or number of votes each proxy is appointed to exercise.
4. If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes which each proxy may exercise, each proxy may exercise half of the votes.
5. The proxy form included in this Notice of Annual General Meeting must be signed by the member or the member's attorney. Proxies given by corporations must be signed under the hand of a duly authorised officer or attorney.
6. To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged with the Share Registry - Computershare Investor Services Pty Limited at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, using the reply paid envelope supplied or by facsimile to +61 3 9473-2555 as soon as possible and in any event not later than 48 hours prior to the time appointed for the Annual General Meeting.
7. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
8. If a Shareholder appoints the Chairperson of the meeting as the Shareholder's proxy and does not specify how the Chairperson is to vote on an item of business, the Chairperson will vote, as proxy for that Shareholder, in favour of the item on a poll.
9. Members should refer to the Explanatory Statement, which accompanies and forms part of this Notice of General Meeting, for information regarding voting restrictions.
10. Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairperson of the Annual General Meeting) a natural person to act as its representative at any general meeting.
11. The Chairman intends voting undirected proxies in favour of all resolutions.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations Shareholders entered on the Company's Register of Members as at 7:00 pm on 26 November 2012 are entitled to attend and vote at the meeting. On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote**.**

How to Vote

To vote on the resolutions, members will need to follow these steps:

Either: Complete the Form of Proxy and return it by facsimile or mail (to be received no later than 12.00noon on 26 November 2012 to the following office or facsimile number:

Computershare Investor Services Pty Limited
GPO Box 242,
Melbourne, Vic, 3001
Facsimile number: 03 9473 2555

Or Attend the AGM.

Queries Please contact the Company Secretary, Mr. Lawrence Gardiner, on (+61 2) 6163 558.

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