

Release to the Australian Securities Exchange

Skykraft in conjunction with XTEK awarded Australian Space Agency Grant

Monday, 22 June 2020: XTEK Limited (ASX: XTE) (XTEK) and Skykraft Pty Ltd (Skykraft) are pleased to announce the award of an Australian Space Agency (ASA) Grant for the development of a SmallSats constellation launch stack.

Key Highlights

- Skykraft, in conjunction with XTEK, awarded ASA International Space Investment grant to design and qualify a small satellite launch stack
- Follows Memorandum of Understanding signed with Skykraft for the co-engineering and potential manufacture of small spacecraft and launcher systems, first announced 12 June 2019
- XTEK's advanced composite materials manufactured using its XTclave™ technology have unique technical advantages in space applications
- Validation of XTEK's unique capabilities, with the collaboration providing a valuable opportunity to commercialise the XTclave™ technology and increasing XTEK's presence in the space sector

Skykraft, in conjunction with project partner XTEK, have been awarded the Australian Space Agency's International Space Investment: Expand Capability grant that will fully fund the design and qualify a launch stack system that deploys constellations of up to 30 SmallSats into low earth orbit from low cost rockets. The launch certification and validation will be carried out in collaboration with New Space India Limited who are the commercial provider of India's Small Satellite Launch Vehicle (SSLV).

The award of this grant through XTEK's partnership with Skykraft validates the advantages for XTEK's unique composite design capabilities and manufacturing technology, and strengthens the Company's view that the space sector presents a compelling opportunity to further commercialise its XTclave™ technology.

XTEK is now working on a lightweight carbon fibre launch structure that will be manufactured using its XTclave™ composite curing technology and delivered from its manufacturing facility in South Australia. XTEK can leverage the unique technical advantages of its XTclave™ technology to minimise the weight of the launch system while still retaining rigidity and strength; the launch system is to be fabricated using high-quality, void-free, lightweight structural composite material that is ideally suited for space applications. The advanced manufacturing process, together with an in-house design, is expected to provide significant value in the Space market, where the weight of the spacecraft and launch system is what makes them expensive to launch.

XTEK Managing Director, Philippe Odouard, said:

"The award of this grant represents a significant milestone for XTEK's composite capabilities. The recognition from the Australia Government and global collaboration provides external validation of our technology, and presents a valuable opportunity to further develop our advanced composites capabilities for space applications, with this project expected to further build our presence in the growing space composites sector globally."

Skykraft Managing Director, James Prior, said:

"A critical factor in any launch is the weight of the spacecraft and the launch systems used to release the spacecraft into orbit. Our focus is to optimise this balance and achieve weight savings, while still retaining rigidity and strength, and so we are very pleased to be partnering with XTEK to utilise their advanced design and manufacturing capabilities through the XTclave™ technology."

ENDS

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
22 June 2020

General enquiries:

Philippe Odouard, Managing Director
XTEK Limited
T: +61 2 6163 5507
E: philippe@xtek.net

Media enquiries:

Rod North, Managing Director
Bourse Communications Pty Ltd
T: +613 9510 8309 M: +61 408 670 706
E: rod@boursecommunications.com.au

About XTEK Limited

XTEK Limited provides high-quality products to deliver tailored solutions to the government, law enforcement, military, space and commercial sectors. XTEK is focused on developing and commercialising its proprietary technologies by leveraging its established distribution network. These technologies include XTclave™ produced ballistic products and advanced composite solutions, and XTatlas™ real time contextual video, which provide unique solutions for western military forces and other government agencies. In addition, the supply and maintenance of Small Unmanned Aerial Systems (SUAS) remains a focus for XTEK.

For more information visit the XTEK website at www.xtek.net

About Skykraft Pty Limited

With a specialty in global spacecraft constellations, Skykraft is a SmallSat design and manufacturing business that delivers commercially viable services to the end user. Skykraft's capabilities include designing, building, testing and operating novel SmallSat constellations for a wide variety of applications, such as, Air Traffic Management, Defence (Tactical Data Links and secure satellite communications from LEO orbits), Internet of Things (IoT), maritime surveillance and border protection, agricultural monitoring and communications. Constellations of affordable SmallSats open up many new applications that demand global, 24/7 coverage and the rapid delivery of data and services to the end user – anywhere, anytime.

For more information visit the Skykraft website at www.skykraft.com.au