

ASX RELEASE

19 January 2005

Inaugural Order Received from National Agency Network (NAN)

The Board of Montec International Limited ("Montec" or the "Company") is pleased to announce the receipt of the first order from NAN since the signing of agreements in November 2004. The NAN agreement heralded Montec's entry into a vast agent sales network that supports the retail and grocery channel throughout China. The NAN agreement provides access to the key markets of all major cities nationally for Montec's 'Meng Tai' monounsaturated milk products. Distribution will commence in Shenzhen on or about 1st March 2005. The Shenzhen arrangements allow for commencement of Southern China operations, with key markets in the North such as Beijing and Shanghai to be supplied directly from Tianjin (near Beijing) pursuant to arrangements dedicated to Northern China.

The first order comprising of in excess of 100 tonnes of Meng Tai milk was placed by NAN ahead of the upcoming long holiday period. Montec will be working through that festive period in order to have Meng Tai milk available for NAN late in February 2005. NAN appreciates that the Company had encountered an unprecedented demand for packaging due to China's introduction of the new Quality Safe (QS) logo that Meng Tai and other brands will carry. This demand resulted in longer queues at the source of packaging supply.

Montec's Managing Director stated that he was delighted with the first order from NAN as it confirms the support for the health benefits of Meng Tai milk by this important channel. Moreover, given that solid research was performed by NAN with consumers during their own due diligence phase prior to entering into the agreement with Montec, the order further supports NAN's total commitment, confidence and capacity to enter into minimum standards of performance contractually knowing what it is able to achieve in the market-place.

The Company's activities through the National Agency Network are designed to co-exist with any commercial arrangements that may be reached with Beijing Sanyuan Foods Co Ltd on a national basis.

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