

ASX & MEDIA RELEASE

17 November 2008

The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

LETTERS OF INTENT SIGNED FOR MILK POWDER PARTNERSHIPS.

The Directors of Montec International Limited (ASX: MTI) advise that, further to information provided in the ASX release dated 13 November 2008, Letters of Intent have been exchanged with two China-based producers and marketers of powdered milk products. The agreements provide the formal confirmation for collaboration with these companies, leading to the packing and marketing of a range of powdered milk products, based upon monounsaturated milk powders sourced from Australia under licence from MTI.

These agreements provide an important milestone in discussions initiated in 2007, in providing the base for determination of final product specifications, supply arrangements and formal licencing agreements, with the expressed intention of progressing to full supply during second quarter 2009.

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ABOUT MONTEC INTERNATIONAL LIMITED (MTI)

Listed dairy products company, Montec International Limited holds certain rights to the manufacture and marketing of monounsaturated, cholesterol-free dairy products. The Company's current focus is on China, where it is building its range of white and flavoured milks under the registered trademarks "dairypure" and "Meng Tai." Planned outlet growth, brand development and extensions into monounsaturated ice cream, yoghurts and other products will provide a base for the company's future growth. A range of yoghurt drinks for children under the brand "Bei Bei" was launched in late 2007 and, in 2008; a monounsaturated ice cream was introduced under a licencing arrangement with a leading Beijing-based ice cream company.