

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

MONTEC INTERNATIONAL LIMITED

ABN

62 104 600 544

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-------------------|
| 1 | +Class of +securities issued or to be issued | Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 127 |

+ See chapter 19 for defined terms.

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3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Convertible Notes – with the following principal terms:

- Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder.
- Each Noteholder has agreed to enter into a sub-underwriting agreement on standard commercial terms in respect of a capital raising that the Company may conduct in the future. As part of the sub-underwriting terms, each Noteholder has agreed to convert its Notes into shares upon completion of the associated capital raising. The conversion price of the Notes will be the same price as the issue price of the shares offered pursuant to the capital raising or if the Noteholder elects to convert all or any of its Notes prior to the capital raising, the conversion price shall be the lesser of \$0.001 or 80% of the volume weighted average price of the Company's shares over the 30 days immediately prior to the conversion date.
- The Company may, at any time prior to the maturity date:
 - elect to convert the Notes into ordinary shares. The conversion price shall be \$0.001 or if the Company undertakes a consolidation of its issued capital, the lesser of \$0.001 or 80% of the volume weighted price of the Company's shares over the 30 days immediately prior to the conversion date; or
 - elect to redeem all of the Notes which have not been converted by repaying the Noteholder the issue price and all accrued interest.
- Each Noteholder is entitled to a commercial sub-underwriting fee of up to 2%, the payment of which will be satisfied by the issue of ordinary shares in the capital of the Company at a deemed issue price which is the same price as the issue price of the shares offered under the capital raising.
- Unless converted or redeemed earlier, the Notes will be redeemed by the Company on the six month anniversary of the date of the relevant convertible note agreement. The Company has a discretion to extend this date by a further three months.
- Noteholders are entitled to interest at 12% per annum (or 15% per annum if the maturity date is extended by three months) payable quarterly in arrears.
- If the Notes are converted into ordinary shares in the capital of the Company, the resulting ordinary shares will rank equally in all respects with the Company's then existing fully paid ordinary shares.

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No - however the shares issued on conversion of the convertible notes will rank equally with fully paid ordinary shares from the date of allotment</p>
<p>5 Issue price or consideration</p>	<p>\$10,000 per note</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of 127 convertible notes as announced to ASX on 30 January 2014. The funds raised from the placement will generally be applied towards strengthening the Company's distribution of food and beverages into the Asian markets including additional purchases of 100 litre barrels of premium whisky from Lark Distillery Pty Ltd.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)						
6f	Number of securities issued under an exception in rule 7.2						
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.						
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	30 January 2014					
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="686 1366 989 1411">Number</th> <th data-bbox="989 1366 1284 1411">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1411 989 1635">1,059,257,093</td> <td data-bbox="989 1411 1284 1635">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	1,059,257,093	Ordinary Shares	
Number	+Class						
1,059,257,093	Ordinary Shares						

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	1	Convertible Note convertible into ordinary shares at a conversion price of \$0.0025 per share within 18 months of the date of issue.
	25	Convertible Notes – 2013 issue
	127	Convertible Notes - January 2014 issue
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The directors of the Company may from time to time determine to distribute the profits of the Company by way of dividend amongst the Shareholders in proportion to the amounts paid up on the Shares held by them.	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	

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- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents
Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders
- 25 If the issue is contingent on ⁺security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do ⁺security holders sell their entitlements *in full* through a

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broker?

31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?

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32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

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Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

		Number	+Class
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

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