

11 October 2012

Dear Foreign Shareholder

Renounceable Rights Issue – Information for Foreign Shareholders

On 10 October 2012, Montec International Limited (the Company) announced to ASX that it was to undertake a renounceable Rights Issue of New Ordinary Shares to Eligible Shareholders.

Renounceable Rights Issue

It is proposed that the Company issue approximately 819,233,408 New Ordinary Shares at a price of \$0.001 per New Ordinary Share to acquire one New Ordinary Share for every one Share held at the Record Date of 18 October 2012.

This Offer is partially underwritten by Patersons Securities Limited to the value of \$671,000. Priority Sub-Underwriting arrangements have also been entered into with Nebral Pty Ltd and Trandara Pty Ltd who have previously advanced loans in the amount of \$350,000 to MTI. Accordingly, any shortfall under the Rights Issue will, in priority to any other sub-underwriting commitment, be applied towards the repayment of this loan to Nebral and Trandara in equal proportions, up to a total value of \$350,000.

Funds raised that are not applied toward repayment of the debt to Trandara and Nebral will be applied towards working capital and identifying and assessing potential acquisition opportunities.

Foreign Shareholders

The Company has determined that it is unreasonable to make offers of New Shares to Shareholders with registered addresses outside Australia or New Zealand (Foreign Shareholders). This decision was made having regard to the number of Foreign Shareholders, the number and value of New Shares those Foreign Shareholders would have been offered and the cost of and time involved in complying with the legal and regulatory requirements of the jurisdictions in which the Foreign Shareholders are domiciled.

Although the Company is unable to extend you the opportunity to participate in the Rights Issue directly, the Company has applied to the Australian Securities and Investments Commission (ASIC) for approval for Patersons Securities Limited (Patersons), as your nominee, to sell the Rights to the New Shares and remit the net proceeds to all Foreign Shareholders in accordance with section 615 of the Corporations Act 2001 (Cth) (the Act). As at the date of this letter, ASIC has not yet provided this approval.

Subject to ASIC's approval for the purposes of section 615 of the Act, if there is a viable market in the Rights and a premium over the expenses of the sale can be obtained, Patersons will sell the Rights.

Any sale will be at prices and otherwise in a manner determined by Patersons in its sole discretion. Neither the Company nor Patersons will be held liable for any failure to sell the Rights or to sell the Rights at a particular price. The proceeds, after deducting costs, will be distributed to Foreign Shareholders for whose benefit the rights are sold in proportion to their shareholdings as at the Record Date.

The Company will release an announcement to the ASX when ASIC's determination regarding approval of a nominee for the purposes of section 615 of the Act is obtained.

Enquiries

If you have any questions regarding this renounceable Rights Issue, please telephone the Company's Share Registry, Boardroom Pty Limited, on (02) 9290 9600 (within Australia) +61 2 9290 9600 (outside Australia).

Yours sincerely



Terry Cuthbertson
Chairman