

MONTEC ANNOUNCES IMPLEMENTATION OF CORPORATE RESTRUCTURING PLAN

24th DECEMBER 2010

Montec International Limited (ASX: MTI) informs investors that a corporate restructuring plan has been undertaken directed toward reducing expenses to be more in line with forecast revenues in 2011.

The Company expects to realize a reduction in annual operating expenses of AUD \$320,000.00 as a result of a number of actions to take place between the months of December 2010 and January 2011. The restructure of the business follows an assessment of its operations in China and Australia conducted in October 2010, as reported by the Managing Director at the Annual General Meeting and subsequently announced to the ASX on 19 November 2010.

Accordingly, termination notices have been issued to staff within the Beijing Montec operation and the Beijing office scaled down to that level required to maintain a minimum presence in China. In addition, revised terms of employment have been negotiated and agreed with Sydney-based executive staff which, together with the recently announced office relocation, provides further significant cost savings.

In connection with the restructuring plan, MTI will incur pre-tax restructuring costs currently estimated to be approximately AUD \$134,748.00 related to severance costs as well as impairment of facilities and other assets. The Company expects to record these charges in fiscal 2011. The Company has entered into payment schedules in regard to terminations and restructuring costs so as to be in line with its expected monthly cash receipts.

While continuing to pursue sales opportunities in China from those prospects identified during 2010, directors are seeking merger and acquisition opportunities within Australia which offer the best prospect for enhancing shareholder value in the future. Several such opportunities are currently under investigation; progress on which will be announced as appropriate.

Terry Cuthbertson

Chairman

Montec International Limited

Tel: +61 2 8752 7866

Andrew Teoh

Managing Director

Montec International Limited

Tel: +61 2 8752 7866