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Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Securities Exchange

30 January 2012

IRC Project Update



A view of part of the very large stockpile of ~20% Zn+Pb residue feedstock for the IRC Project

Intec Ltd (ASX code: INL) advises that its 50/50 joint venture subsidiary, Intec International Projects Pty Ltd (“IIP”), has entered into the contract for, and has now received its initial project commencement payment in relation to, a comprehensive technology development and engineering programme for its previously foreshadowed IRC project in the Islamic Republic of Iran.

While certain details of the project remain confidential at this stage, IIP’s ‘IRC Project, Stage 1’ will use the Intec Process to unlock value from 25,000 tpa of minerals processing waste. This waste has been stockpiled for over 20 years, with over 2,000,000 tonnes now awaiting a suitable environmental and economic technology for future processing.

The IRC Project Stage 1 will produce up to 5,000 tpa of LME special high grade Zinc metal and Lead products, plus suitable co-products and by-products. If Stage 1 is successful, it is envisaged that Stage 2 will process up to 200,000tpa of zinc/lead feedstock (which matches the current residue output).

Intec Ltd will contribute significant technology and engineering services to the IRC Project as a sub-contractor to IIP, particularly during the first 12 months of the approximately 18-month programme.

During the final 6 months of the programme, Intec's role will progress to management of its Australian engineering consultants (GHD) and their international partners, whose significant project implementation experience and resources will be aimed at the successful delivery of the plant design package.

The estimated revenues for IIP's services (inclusive of the services of sub-contractors) and the provision of a technology licence over the course of the programme are approximately A\$6 million. The up-front payment of approximately A\$1.4 million has now been received by IIP for work already commenced, however it should be noted that much of this amount is destined to be paid out to third party contractors and sub-contractors.

Specifically, if the IRC Project was to successfully achieve all Milestones, Intec Ltd's estimated revenues for its direct services to IIP are approximately A\$2 million (less certain specified sub-contractor costs) of the A\$6 million.

The deliverable for the contracted programme is a comprehensive plant design package, enabling the project client to engage its own contractors for the construction of the project, following the completion of the technology and engineering programme. As such, the total project engineering, construction and commissioning is expected to take approximately 3 years.

Prior to commencing work, IIP has sought and received approval from the Australian Department of Foreign Affairs and Trade for the Australian based testwork and engineering to the end of Project Milestone 1. The IRC Project will involve ongoing communication between the Company and relevant regulatory authorities, as well as their ongoing assessment and staged approvals to ensure that the Project is at all times compliant with the Company's domestic and international obligations.

Importantly, the IRC Project is potentially the first full-scale commercial application of the Intec Process for minerals processing, building upon previous small-scale commercial applications of the technology for waste recycling. The Intec Group looks forward to working with its substantial client to



Representatives of Intec, project sub-contractors and the project client during a site tour in May 2011

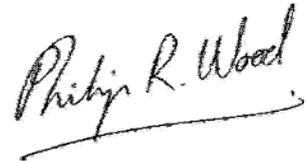


A bank of filter presses, part of the existing zinc/lead ore processing operation that produces as a residue the 20% Zn+Pb feedstock to be recovered in the IRC Project

deliver this environmental and economic opportunity, with further details being announced as the IRC Project develops.

Yours faithfully

Intec Ltd

A handwritten signature in black ink that reads "Philip R. Wood". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Philip R. Wood

Managing Director and Chief Executive Officer