

# Intec Ltd

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## **2015 Annual General Meeting**

Attached is the Chairman's Address and a presentation by the Managing Director for the 2015 Annual General Meeting of Intec Ltd (ASX Code: INL) to be held today.

Intec Ltd



**Kieran G. Rodgers**  
Managing Director

**Intec Ltd 2015 Annual General Meeting**  
**Chairman's Address**

Ladies and gentlemen, good afternoon and welcome to the 2015 Annual General Meeting of Intec Ltd. My name is Trevor Jones and I am the Chairman of Intec. First, I would like to introduce my fellow directors, Kieran Rodgers, Managing Director and Don Cronin, Non-Executive Director. In addition, Robert Waring, Company Secretary is also present.

Also present is Kamal Thakkar representing the company's external auditor, Rothsay, Chartered Accountants.

There being a quorum of three or more shareholders present, I declare the Meeting open.

At the 2013 AGM, the Company announced the acquisition of a 50% interest in Science Developments, or SciDev as it is better known, with an option to move to full ownership. The acquisition of an interest in SciDev was based on the rationale that:

1. SciDev was complementary to Intec's activities in the treatment of waste products from mining and related activities;
2. The Company believed that there were opportunities for expansion of SciDev business into other industry and geographical sectors; and
3. Also that the intellectual property present in SciDev and its proven record of innovation would deliver value to Intec shareholders.

SciDev achieved a breakeven result in the 2014/15 financial year after including the expected benefit of a rebate under the R & D Tax Incentive scheme. In this financial year to date, SciDev has achieved strong sales and profit growth. This has principally been due to the commencement of sales into New Zealand and the start of the first commercial trial of the OptiFlox® System at Peabody Energy's Wilpinjong coal mine near Mudgee in NSW.

With now greater experience of the company's markets, technologies and existing and potential customer base, the way forward, to coin the current popular phrase, is through innovation. While SciDev's core product, its family of coagulants, enjoys a strong cost advantage versus its competitor's products, persuading end-users to change over to SciDev products is significantly enhanced by coupling chemical product with technology that provides productivity benefits, along with cost savings, to the client. This is the strategy behind SciDev's development of the OptiFlox® System. The system addresses a recognised problem in the operation of large waste water treatment facilities where variations in the constituents of the suspended particles entering the facility continually occur, resulting in deteriorating flocculation performance that in many instances results in the facility being shutdown with resultant production losses.

While we acknowledge that the development of the OptiFlox® System has taken longer than originally expected; we also acknowledge that the development and testing of new technology for introduction into existing large scale industrial facilities is an underappreciated challenge. The process of innovation through to commercial success is rarely a quick and non-problematic exercise. It involves multiple steps and components such as: idea generation, new chemistry, new engineering, equipment testing, multiple visits and communications with the trial customer etc. However, we are now at the point where Peabody Energy, the world's largest private sector coal company, is trialling the OptiFlox® System.

In respect of the OptiFlox® System, I would like to acknowledge Paul Pembroke of SciDev significant contribution to the development of the OptiFlox® System.

Introduction of the OptiFlox® System into the SciDev product portfolio provides the commercial benefits of IP licensing fees and critically growth in sales of coagulants for Scidev. For the customer it provides both productivity and cost benefits.

As noted, the first OptiFlox® System is currently undergoing a commercial trial at Peabody Energy Wilpinjong coal mine. The Company is confident that following successful trial results, the OptiFlox® System will be rolled out to other Peabody Energy sites in NSW and QLD.

During 2016 the focus will be on:

- Completion of the trial;
- Roll-out of the system to other coal mines;
- Identification of other end-use industries for the system, for example, sewage, iron ore beneficiation; and
- Investigation of international licencing opportunities.

We are confident that the commercialisation of the OptiFlox® System will materially grow shareholder value.

Thank you and we will now have a presentation by the Managing Director and then proceed to the formal resolutions following, which there will be an opportunity for questions.