



NEWSLETTER

25 September 2009



Contract

It is with a great deal of pleasure and excitement that Recoilless Technologies International S.A, the Polish subsidiary of Recoilless Technologies International Corp Limited (RTICL) can announce the signing of its first rapid major and ground breaking practical technology development contract for incorporation of our recoilless technology into a superior family of weapons developed by Hungarian Company, Sero Kft (Sero). Despite the fact that RTICL and its subsidiaries consider the preliminary Joint Research & Development, Manufacturing and Sales agreement with Sero as a strategic partnership, according to the letter of the agreement it does not interfere with other contractual arrangements that RTI is currently in the process of finalizing.

The recoilless technology will be incorporated into Sero's flagship products being the Gepard GM6 Lynx anti-terrorist anti-material rifle, the predecessor of a whole family of firearms, in 12.7x99mm standard NATO round / .50 BMG as well as Russian ammunition 12.7x108mm cal. Soon to follow will be 7.62mm NATO round and .338 cal. Lapua, again to be expanded to an array of more popular rounds on the market, including ones planned by RTI and its associated entities, super ammunition of extreme ranges, unmatched by conventional arms.

The formal contract was signed on 17th September 2009 at Sero's headquarters in Budapest, Hungary by RTI's Chairman and Managing Director Mr Richard Giza and RTI's Vice Chairman of the Polish subsidiary, RTI S.A., Mr Mikolaj Zapala. Sero was represented by Mr Endre Szabo Jr, the Special Division Director. Our congratulations are extended to Mr Szabo Jr., Mr Giza and Mr Zapala in finalising this major achievement, for both parties and their associated entities.

This is a major milestone for RTICL and Sero. The first step for RTICL, in what is expected to see a number of contracts signed with major defence companies in Poland, followed by other companies on the International arena, with which Mr Giza and Mr Zapala have been negotiating in recent months.



Mr E. Szabo Jr. & Mr R. Giza signing the contract in Hungary

Sero Kft Profile

Sero was established in 2000 in order to export, import and re-export military goods and tools. Sero has all the necessary licenses for manufacturing military goods and dealing with military technology and the foreign trade of military devices.

Since 2004 Sero has been cooperating in demilitarization of Hungarian produced gunpowder, bombs, igniters and fuses, and have partners in the industry all across Europe. As a capital investment in 2001 Sero purchased the rights for manufacturing and trading of GM2 and GM3 types of Hungarian developed high performance infantry weapon family called the Gepard Family. The owner of the family business Mr Endre Szabo is an expert of the Gepard weapons, having worked on the development, production and trading of such since 1994.



Mr M. Zapala enjoying the proper handling of the superior Gepard GM6 Lynx rifle, already in the defence market, under the watchful eye of Mr E. Szabo Jr.

On the experiences and basis of designing Gepard rifles, Sero had started to develop a destroyer rifle for anti-terrorist purposes. This weapon was named Gepard GM6 “Lynx”. Development of Lynx was accelerated in 2005 when Sero submitted a project plan applying for EU and National support. This project won the support of an Agency for Research Fund Management and Research Exploitation of Hungary in the framework of EU co-funding support. At the end of 2006 one prototype of Lynx had been produced and military test started in the very beginning of 2007 with great success. Tests were carried throughout the whole year, during which over 6000 rounds were shot with the prototype passing the official military examinations.



Mr E. Szabo Jr. & Mr M. Zapala just after signing the agreement

This clearly shows the new, talented well educated and extremely committed next generation of executives who will guarantee the very successful future of both the enterprises involved and their associated entities. For further information on Sero please visit their website www.sero.hu



Mr E. Szabo Jr. & Mr R. Giza shake hands on completion of contract signing

Mr Giza and Mr Szabo Jr., actually secured the deal based on a hand shake at the Kielce Arms Expo and formalized the agreement on September 17th, a date which will significantly change the future of both companies and history of armaments.

Stock Exchange Listing

With the signing of the first contract with Sero, and others expected to follow shortly with some of Poland’s major defence manufacturers, RTICL and its associated entities, as well as the incoming business partners, are gaining the strength required to ensure the best possible outcome for RTICL’s stock exchange listing and to add to the market value of all parties involved. RTICL is working towards a listing as soon as possible but finalising the contracts currently in the pipeline should be completed prior to such, to ensure RTICL progresses in an orderly fashion with its plans for the global expansion of its business alongside its partner Sero whose superior technology is already comfortably on the market. Preliminary discussions are also commencing relating to possibly mutually



manufacturing the expanded family of Gepard firearms partially in existence, and currently in development by both entities, being Sero and RTICL and its associated entities, and subsidiaries such as RTICL's key European major outlet RTI S.A.

To ensure the extreme rapid delivery of the most sophisticated ballistic weapons to the global defence sector, as well as the civilian market, Mr Giza will commence, most likely from 6 October 2009, his accelerated work to convert, in stages, the Gepard family of firearms into extremely improved anti-recoil systems to almost immediately enter the market. With the real further truly superior products to be available within several years, allowing for the requirements of the National and International patenting systems, as well as End User Certificates and Defence Import and Export Permits etc. to take their course.

RTICL with the support of its associated entities expects to commence trading of the available Gepard family of weapons within several months and more advanced models incorporating the groundbreaking recoilless technology will follow in the longer term. The first step in converting the Gepard rifle to a civilian bolt-action type rifle suitable for the Australian market has recently been requested from Sero by RTICL and is currently on the drawing boards.

Investment

For any parties interested in making an investment, please make contact with RTICL.

Other News

Further newsletters will be issued to keep Shareholders updated with RTICL's progress. RTICL also encourages Shareholders to regularly check the RTICL website for updates.



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