

HiTec Energy Limited

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CHAIRMAN'S ADDRESS AT ANNUAL GENERAL MEETING

I extend a welcome to all of our shareholders present today for the Annual Meeting.

Since we met in Brisbane late last year, there have been many developments with your company.

Our joint venture, Mesa Mining Joint Venture with Auvex Resources, was formed to do a number of things which are itemized in the C.E.O's Review of Operations in the Annual Report. Basically the joint venture will explore and mine the resources held at Ant Hill and Sunday Hill mining leases. The Farm-in exercise is now complete and we move forward to regular production and sales.

The first sale is for 30,000 tonnes and is being made to China. Trucking of the ore to supply this first sale is in progress for shipment in a couple of weeks. I know a lot of people were concerned at the time taken to obtain that order, but the joint venturers agreed that any order had to reach a minimum price before we would accept it. The market has improved and consequently the order came to be. Negotiations for a second shipment of 30,000 tonnes are at an advanced stage and we expect to finalise in coming days.

Whilst all material markets are in a state of uncertainty the prices for manganese orders have now recovered to the levels seen around the time that the Farm-In leading to the Joint Venture was put into place. Prices continue to edge up towards the levels that our analysis of supply and demand would indicate as being realistic of achievement. We do continue, however, to live in World markets with a lot of uncertainty.

At year end HiTec signed the Utah Port Facility Agreement under which it acquired rights to stockpile ore and to ship the stockpiled ore through the new ore loader being constructed. These facilities are being built at Port Hedland (Utah Point) for the Port Hedland Port Authority

HiTec has also taken the opportunity to raise sufficient cash flow with a placement of new shares followed by a rights issue. This was to ensure that we have adequate reserves:

- to meet operating costs which together with regular ore sales will be providing sustainable positive cash flow.
- to meet the cost of the stockyard and ore loader at Port Hedland.
- to fund a project team to be established to accelerate planning of the Boodarie secondary processing plant.

The company's strategy is still strongly focused on our patented processes for the secondary processing of manganese. With cash flow streams now coming into place for the ore export business the ability to work on the secondary processing business becomes more practical. Demand for the products we can produce is growing. At the same time the cost and environmental factors are making our processes more relevant.

The resilience of the fertilizer product market and the growing demand for high purity EMD (electrolytic manganese dioxide) for vehicle batteries should continue to improve as we continue to ramp up the ongoing work on ore production at Ant Hill. This will require various approval applications and the process for these is proceeding satisfactorily.

Your board is conscious that there has been criticism of time taken to achieve these matters. It needs to be recognized that achievement of the right resource measurement, the right market and the right price do take time, particularly when the World economy is going through a period of great strain.

As you will have seen by the notice paper we are proposing a change of name for the company. We encounter a degree of confusion with the name HiTec, given there are other listed companies of similar names. We are proposing to change our name to MESA MINERALS LIMITED.

We have made a number of changes to our Board during the year. Mr Warren Brown and Mr Marcel van de Velde have both joined the Board, and, as is normal will stand for re-election at this meeting. They each bring a depth of experience with them.

The outcomes achieved are a credit to the Chief Executive, Alan Scott, and to his small band of dedicated helpers.

Norman Coldham-Fussell AO
Chairman

HiTec Energy Limited (ABN 38 009 113 160)

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