



NSX ANNOUNCEMENT

August 24/08/09

The Directors of International Building Industries Limited (IBIL) advise the Non Exclusive Distribution Agreement between Sterling Engineered Products (SEP) Australia and Sterling Engineered Products New Zealand (both 100% owned subsidiaries of IBIL) and Shell Australia for the Flintkote Waterproofing products has been terminated.

While the Shell range of products offered significant opportunities it was not exclusive and denied the company the ability to establish and create its own branded range of product and to capitalise on the increased margins it could derive from such a strategy. The Board of IBIL instructed its CEO to explore alternative products and to control the distribution and branding advantages of these new products. IBIL was concerned by the limitation caused by sourcing one product from one supplier did not cover the broad spectrum of applications required by IBIL to advance its business.

IBIL has now sourced a broad range of products, enabling it to distribute under our own brand and to supply product to the SEP Australia & SEP NZ' markets. SEP is the brand owned and developed by IBIL.

These products comprise a best of breed product set which will be expanded to suit the diverse opportunities within the building, construction and environmental markets the company has been targeting. These products can be offered to our distribution network at significant price reductions to comparable products within the Shell range, an initial range will be available to the market within two weeks. There is also an increased margin available to IBIL from the sale.

IBIL believes that greater flexibility in purchasing arrangements and the ability to select best of breed product from three reputable suppliers at a significant price advantage will enable IBIL and SEP to capitalise on increased opportunities.

The ALC relationship has been unsatisfactory and it and a number of our customers and Shell have blamed IBIL/SEP for the non performance. IBIL denies any breach of any agreement with ALC or Shell.

With this new direction the Company can take control of its own business direction and capitalise on the vast opportunities available. The complete range of new product and pricing will be available in October 2007.

For further information please contact IBIL 07) 5554 2999