

VERITEC ENTERS CHINA – Other Distributorship Agreements in the works

Golden Valley, Minn. June 13, 2006 - Veritec, Inc. (OTC: VRTC) the patent holder and leading designer and provider of integrated uses and software for high data density Multi-Dimensional Matrix-Symbologies™ to the manufacturing and security industries, is pleased to announce it has executed a Distributorship and Representation Agreement with Shanghai Fang Lai Information Technology Co. (Shanghai, China). Ms. Van Tran, Veritec's CEO, was first introduced to Shanghai Fang when visiting China as a participant with then Minnesota Governor Jesse Ventura's 2002 trade mission to China. Negotiations for establishing this relationship commenced in November of 2005, when Ms. Tran again participated in the second State of Minnesota Mission to China.

"This is a substantive agreement", said Ms. Tran. Shanghai Fang's personnel have been front-runners in barcode technology and have been marketing uses for barcode technology in China for years. "It was Shanghai Fang who identified and re-confirmed my belief for the need of Multi-Dimensional Matrix-Symbologies™ in China; and who understands the enhanced storage and data retrieval capabilities of VSCode® and VeriCode® as being essential to effective imaging and biometrics applications when combined with the larger data requirements and the use of Chinese language characters", said Ms. Tran.

"We are highly experienced in adapting western technology for Asian Market Development. Our personnel are experienced in representing large American corporate interests in China for the labeling and tracking technology [*sic*] industry for years", said Mr. Zou, of Shanghai Fang.

Mr. Zou stated: "The scope of our duties includes not just the marketing and sale of existing Veritec products to government and commercial interests in China, but includes (1) translating Veritec software products for use in China; (2) the formation of strategic alliances for the manufacturing, packaging and shipment of hardware ported with Veritec software for sale globally; and, (3) development and implementation of new Veritec products intended for the United States and worldwide use. All of the Inventions and Works of Authorship developed will belong to Veritec."

Ms. Tran concluded by saying: "The rich history of Shanghai Fang's relationships with China's central and provincial governments and the commercial and industrial base of China, should result in immediate benefits to Veritec. Veritec is providing the technology and Shanghai Fang the resources. Shanghai Fang's experience with Secure Identification Programs and imaging applications fit well within the Veritec product line, establishing new market opportunities to our proprietary technology. It is our intent to continue growth of our core business with other such Distributorship agreements in other regions of the world as well".

Mr. Zou concluded by saying: "China has already embraced the value offered by Multi-Dimensional barcodes. The encoding and decoding software and technology products to apply the multi-dimensional matrix are already widely used in China's economy. Banking, secure identification solutions, and tracking capabilities are in demand in China more so probably than any other nation in the world. We believe Veritec's VSCode® and VeriCode® Multi-Dimensional Symbologies will become the standard matrix symbols for ported applications in the future".

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and factors that could cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. In addition to statements that explicitly describe such risks and uncertainties readers are urged to consider statements using the terms "formation", "intent", "near to being", "in the works", "shall", "shall be", "should result", "to be", "to continue" or and similar expressions to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.

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