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FOR IMMEDIATE RELEASE

VERITEC AND CITIES IN TOUCH ENTER INTO AGREEMENT TO OFFER CONSUMERS SECURE PREPAID DEBIT CARDS ISSUED FROM KIOSKS

This program provides secure prepaid cards to consumers in retail and other locations

Golden Valley, MN, December 1, 2009 - - Veritec, Inc. (OTC BB: VRTC.OB), a developer of mobile banking debit card solutions and a pioneer and developer of proprietary two-dimensional matrix technology, today announced that its subsidiary, Veritec Financial Systems, Inc. ("VTFS"), entered into a memorandum of agreement with Cities in Touch ("CIT") of Hot Springs, Arkansas to integrate VTFS' mobile banking software platform with CIT's ATM and debit card issuing kiosk systems.

VTFS markets and sells prepaid card programs and provides back-end prepaid card processing services on behalf of Security First Bank to card sponsoring organizations. VTFS markets its prepaid card programs under its *MTC* and *Blinx On-Off* brands. In addition to serving as an ATM machine, CIT's kiosk systems enable consumers to securely cash checks, pay bills, transfer money and obtain pay day loans. By integrating VTFS' and CIT's respective systems, consumers will benefit by being issued secure reloadable debit cards that may be used at most ATM machines and when making retail purchases. VTFS' debit cards are more secure than cash in that consumers will be able to turn their debit cards "on" and "off" with their mobile phones.

"Veritec is very pleased to enter into this agreement with Cities in Touch", said Van Tran, Executive Chair of Veritec. "CIT provides convenient as well as special and important services to members of our community, and Veritec is able to help these consumers by providing a reloadable and highly secure financial product that is a better and safer alternative to cash".

"Veritec's prepaid card products and services will enable CIT to be in a position to offer new and exciting products and services to its customers", said Randy Dodd, President of CIT. "It has also provided CIT with a service that helps us reduce the need for keeping a significant amount of cash in our kiosks and this helps make CIT's operations and the kiosk owners' operations more secure".

The parties expect to conclude the terms of a definitive agreement during the month of December, 2009.

About Veritec, Inc., VTFS and Security First Bank

Veritec, Inc. is a pioneer and developer of proprietary two-dimensional matrix technology. The company's portfolio of products includes its proprietary VeriCode® and VSCode® 2D matrix symbology solutions, BioID - VSCode® multi-purpose card solutions, and suite of products known as PhoneCodes™ for delivering electronic tickets, coupons and gift cards to

mobile devices (www.veritecinc.com). Veritec Financial Systems, Inc. is a wholly owned subsidiary of Veritec, Inc. VTFS develops and licenses mobile banking debit, gift and prepaid card solutions and serves as a third party processor to banks for debit card transactions on the company's mobile banking platform (www.vtfs.com). Security First Bank of Fresno, California is a California commercial bank authorized to engage in the commercial banking business. Deposits are insured by the FDIC up to the applicable limits of the law (www.securityfirstfresno.com).

About Cities in Touch

Established in 1996, Cities in Touch is a Hot Springs, Arkansas company. CIT's goal is to furnish a state of the art kiosk which houses an ATM and provides bill payment, wire transfers, check cashing, payday advance, prepaid phone, wireless PIN, wireless recharge, prepaid debit cards and advertising, all in one unit that can be installed in a user friendly atmosphere, offering all of these services through the technology of a touch screen monitor. CIT's ability to provide information through public access terminals offers resources for people everywhere, anytime. We customize ads, logos, animations and graphics. CIT is, in effect, a partner with the merchant for the full term of an agreement and therefore has a financial interest in the success of every Kiosk/ATM terminal. Our software has been designed in-house and allows us to write plug-ins to adapt to most environments. We pride ourselves in being a total turn-key company with the ability to build our own enclosures and provide the hardware, software and other peripherals that can take a project from start to finish (www.citiesintouch.com).

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

This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties affecting technology companies, our ability to successfully develop products, rapid technological change in our markets, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason unless otherwise required to do so by SEC Regulations.

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