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Investment Profile

OTCBB: DTCT

January 27, 2010

Diatect Signs Agreement To Be Imported And Distributed Throughout Israel; Initial Order Has Been Placed



Company Description

Diatect International Corporation produces non-toxic insect control products that safely eliminate insects and pests. The products are registered under nine U.S. Environmental Protection Agency (EPA) labels that approve their use for commercial, agricultural, industrial, food production, and home and garden use. The company's products are part of the growing demand for green and sustainable products that appeal to the eco-friendly commercial and retail markets. Although Diatect's products are particularly appealing to this as well as the organic market segment, the products are so safe and effective that they present a viable and cost-effective alternative to traditional insecticides.

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Closing Price (01.26.10)	\$0.01
Market Cap.	\$2.15 mil.
52-Week Range	\$0.01 - \$0.05
Avg. Daily Vol.	116,744
FY' 08 EPS	(\$0.02)
FY' 08 Revenue	\$1.93 mil.
FY' 08 Net Loss	(\$4.7 mil)
Total Assets (3.31.09)	\$475K
Total Liabilities (3.31.09)	\$5.6 mil
Basic Shares*	215 mil.
Diluted Shares	274 mil.
Fiscal Year End	Dec. 31
*As of 3.31.2009	

The company markets products under two brands: DIATECT® and RESULTS. DIATECT®, the company's commercial flagship product, is geared towards the agriculture and food production markets, while the RESULTS line of products is the company's retail and end consumer products line. DIATECT® was listed by Washington State for insect control use in organic food production, opening the door for product sales in the organic and sustainable-farming industry. Focusing on the fire ant, bedbugs and indoor pests markets, Diatect's RESULTS line is not only environmentally friendly, but also pet- and human-safe.

Highlights

10/28/09
 Diatect Signs 15 Year Agreement To Be Labeled As Galaxy Guard And Distributed Throughout Israel

6/18/09
 Diatect To Launch Integrated Marketing Campaign

2/11/09
 Chip Beck To Play in Allianz Golf Championship as Diatect "Green" Pesticide Endorser

2/9/09
 PGA Champion Chip Beck Goes Green With Endorsement Of Diatect "Results" Products

1/30/09
 Diatect Announces Record Sales for Call Center and 2009 Retail Initiatives

11/14/08
 Diatect files its Q3 '08 financial results.

08/15/08
 Diatect Q2'08 revenue up 51% to \$633k.; net loss (\$704k.) or \$0.00 per diluted share

Research

A research report on Diatect is available at: www.amistockreports.com

Investment Profile

DTCT



Diatect believes its products have a clear advantage over its competitors. The company says that DIATECT® and RESULTS brands of products are the fastest-acting products in the market, taking only minutes after application to see results. The products are odorless, safe for humans and other mammals, leaving no residual contamination. Diatect products are also versatile enough that they can be applied both in powder and liquid forms.

Diatect products are sold into the multi-billion dollar agriculture, commercial, industrial, organic food production and home and garden markets worldwide. The U.S. market for agricultural pesticides alone is estimated to exceed \$320 billion.

In Nov. 08, Diatect entered into a distributor agreement with Source Direct (SODH.OB). Source Direct manufactures and markets a proprietary line of green, all-purpose, all-surface, highly effective, non-toxic, biodegradable cleaning products.

Nine EPA-Approved Labels

The company's nine fully registered product labels from the U.S. Environmental Protection Agency (EPA) grant federal clearance to manufacture, market and sell specified insect control products. EPA labels are difficult and expensive to obtain, but represent an invaluable asset for the marketing and sale of the products. Diatect believes its ability to obtain EPA labels is a validation of their product and a major competitive advantage for the company since they act as barriers for the entry into this market space.

Non-Toxic Technology

Diatect products are made from a combination of Pyrethrum and Diatomaceous Earth (DE), both officially labeled as less toxic than table salt. Pyrethrum, a lethal nerve irritant to insects refined from the African Daisy, paralyzes insects on contact. Once exposed to the natural environment, however, Pyrethrum decomposes into harmless by-products that do not accumulate in food, water, or soil.

DE, also known as Silicon Dioxide, is a non-poisonous mineral derived from the dry beds of

ancient freshwater lakes. It consists of sharp-edged microscopic blades and spikes that cut insects' skin and shells, damaging their watertight seal and thus dehydrating the animal. DE is EPA-labeled as Generally Recognized as Safe (GRAS) in food production, water and the environment, but the powder is lethal to insects. After Pyrethrum decomposes, DE persists, controlling possible future infestations.

The Outlook

Diatect has successfully completed a strategic restructuring and turn around, which involved a reevaluation and change to the company's internal structure and a renewed sales effort.

As part of the restructuring, Diatect successfully cleared away old debts, recapitalized the company and began an aggressive push in new marketing activities and sales efforts. Diatect successfully settled litigation involving an involuntary Chapter 7 filing initiated by three note holders in June 2005. The three note holders have forgiven the notes and the interest associated with the notes, have returned stock that they held and made a contribution to the company's legal costs. Diatect has also settled with other parties that had filed claims against the company. On September 2007, the company received notice of an SEC investigation. On February 2008, an initial ruling dismissed the SEC's administrative proceedings.

Management believes that the financial data has demonstrated encouraging year over year growth in sales and improvement in Diatect's financial situation. Operational cost reduction is particularly of note. The increase in sales, management feels, points to Diatect's successful investments in its marketing and sales program. Diatect has outlined an ongoing initiatives to increase the presence of our RESULTS products in retail outlets and improve the distribution of the DIATECT® products domestically and internationally.

Diatect has recently made a series of key personnel appointments. Patrick Carr, a veteran marketer, was appointed CEO, and Robert Rudman,

who has had lengthy public company experience, was named CFO. The company said these are the beginning of a series of strategic appointments to help Diatect assemble a board of advisors and qualified personnel to finish the restructuring and gear for growth.

For Q1 2009, Diatect reported \$188,427 in sales, compared with sales of \$372,964 for Q1 2008. The revenue decreased of \$184,537 is primarily due to a decrease in internet based sales. Q1 2009 net loss was (\$477,711) or (\$0.00) per diluted share, vs (\$750,279) in Q1, 2008.

The company said it is currently focused on marketing initiatives in its three divisions, Internet, Agricultural and Retail. PGA champion Chip Beck has endorsed Diatect's Results products. Beck works with the company in developing innovative, golf-oriented marketing programs.

Website Information

Diatect's press releases, Level II price quotes, SEC filings, Java stock charts, research report and other valuable information for investors may be found at:

www.diatect.com

www.hawkassociates.com

www.amistockreports.com

Risk Factors

Company operating history

Company requires infusions of capital to continue growth

Competition by large, well-established and better-funded companies.