

**10 October 2008****3,000 TPA ERMS SYNRTLILE DEMONSTRATION PLANT**

- **Steel Industry Waste Successfully Recycled into Fresh Acid**
 - **EARS Acid Regeneration Section Commissioned**

Austpac is pleased to provide a further progress report on the commissioning of the Company's ERMS SR (synrutile) Demonstration Plant at Newcastle, NSW. On Friday 19 September 2008, the Company announced that the DRI equipment was operational, proving Austpac's DRI process in a continuous operation. A further significant advance has subsequently been made:

- Using spent pickle liquor ("SPL"), a waste iron chloride-rich solution obtained from a major Australian steel finishing plant, Austpac successfully regenerated a large volume of fresh hydrochloric acid using the Company's patented EARS Acid Regeneration process. Regenerated hydrochloric acid is being stored for ilmenite leaching and any excess will be used by the galvanising industry.
- SPL is therefore highly amenable to the EARS process. The EARS plant at Newcastle has the capacity to process 13,000 tonnes per year of SPL. Synrutile production operations will be completed next month. Austpac envisages using the plant on a commercial basis to recycle wastes from the steel and related industries.

The EARS section of the Plant has been fully commissioned, ilmenite leaching operations are about to commence and the production of ultra high grade synrutile (97%TiO₂) and saleable iron metal pellets will then be underway.

For further information please contact:

Mike Turbott
Managing Director – Tel (+61 2) 9252-2599

About Austpac Resources N.L. (ASX code: APG)***WINNER: 2008 National Mining Awards APPLIED TECHNOLOGY OF THE YEAR***

Austpac [www.austpacresources.com] is a minerals technology company focused on the titanium, steel and iron ore industries. It has been listed on the Australian Stock Exchange since 1986. Austpac's key technology transforms ilmenite into high-grade synthetic rutile, a preferred feedstock for titanium dioxide pigment production. The technology can also be used to process waste chloride solutions and iron oxides produced by steel making to recover hydrochloric acid and iron metal pellets. A third process can be used to produce Direct Reduced Iron (DRI) from both hematite and magnetite iron ores.