



December 19, 2012

AUSTPAC RECEIVES \$7.5 MILLION FROM SALE OF EL 4521 WHICH WILL BE USED TO COMPLETE THE NEWCASTLE IRON RECOVERY PLANT

Further to the Company's announcement dated 21 November 2012, Austpac Resources N.L. is pleased to advise that the Victorian Minister for Minerals and Energy has now approved the transfer of EL 4521 to Orient Zirconic Resources (Australia) Pty Ltd, and the \$7.5 million held in a trust account has now been received by Austpac.

The funds will be used to complete the construction on the Newcastle Iron Recovery Plant during the first half of 2013, with production, sales of recycled iron and hydrochloric acid, and cash flow commencing in the second half 2013.

As Austpac has sold EL 4521 and retains no interest in the Licence, the 2004 Farm-In Agreement with Australian Zircon N.L. is at an end. However Australian Zircon and Orient Zirconic have entered into a new Farm-In Agreement, under which Australian Zircon retains the right to earn an 80% interest by completing a Bankable Feasibility Study on the WIM150 heavy mineral deposit near Horsham, Victoria. This ensures continuity in the ongoing development of the resource.

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About Austpac Resources N.L. (ASX code: APG)

Austpac Resources N.L. [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 metal and titanium dioxide pigment production. The technology is also being used to process waste chloride solutions and iron oxides produced by steelmaking to recover hydrochloric acid and iron metal pellets