

**1 June 2010**

ENVIRONMENTAL PROTECTION LICENCE GRANTED FOR OPERATIONS AT THE NEWCASTLE IRON RECOVERY PLANT

Austpac is pleased to announce that the NSW Department of Environment, Climate Change and Water (DECCW) has approved a variation to the Company's Environmental Protection Licence which will enable the Newcastle Iron Recovery Plant to operate as a waste treatment facility for recycling mill scale and spent pickle liquor thereby producing Austpac Reduced Iron (ARI) and hydrochloric acid for the iron, steel and related industries. The EARS section of the ERMS SR Demonstration Plant is being modified to operate as a waste recycling plant, and the EP Licence variation was essential as the previous licence granted in 2008 was for the production of synthetic rutile.

The upgraded Plant will showcase Austpac's patented EARS process to industry and will generate a cash flow for the Company. The process is environmentally friendly and produces no solid or liquid effluents. Air emission monitoring will be undertaken to ensure the Plant operates within the stringent limits required by NSW legislation under the *Protection of the Environment Operations (Clean Air) Regulation 2002*.

In late March 2010, the Newcastle City Council granted development consent allowing Austpac to use the existing chemical plant to recover iron and hydrochloric acid from mill scale and spent pickle liquor. The variation to the EP Licence is the final statutory approval required to allow the Plant to commence commercial operations later this year.

For further information please contact:

Mike Turbott

Managing Director - Tel (+61-2) 9252-2599

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

Austpac Resources N.L. [www.austpacresources.com] is a minerals technology company currently focused on recycling waste chloride solutions and iron oxides produced by steel making to recover hydrochloric acid and iron metal. Austpac's technologies also transform ilmenite into high-grade synthetic rutile, a preferred feedstock for titanium metal and titanium dioxide pigment production. The Company has been listed on the Australian Stock Exchange since 1986.

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