

**January 24, 2013**

NEWCASTLE IRON RECOVERY PLANT NOW MOVING TOWARD COMPLETION FOLLOWING RECEIPT OF \$7.5 MILLION FROM SALE OF EL 4521 (WIM150)

On 19 December 2012, the Company announced it had banked \$7.5 million following completion of the sale of EL 4521 to Orient Zirconic Resources (Australia) Pty Ltd. As advised at that time, the funds are earmarked to complete the construction of the Newcastle Iron Recovery Plant. The project recommenced in mid-January with the preparation of detailed construction drawings and requests to the remaining equipment suppliers for revised quotes. Over 90% of the equipment for the Plant was purchased in 2012, and is either on-site, in store, or in the suppliers' yards ready for delivery. The remaining items are being ordered and will be delivered in the next few months.

The most critical item is the off-site fabrication of the steelwork for the extension to the process tower on the northern side of the existing structure. The steel has been purchased and delivered to the fabricator who will commence work in early February 2013. The new tower will house the acid regeneration and the iron reduction (metallisation) sections and support the CO₂ removal and gas scrubbing equipment. The bulk of this equipment is on-site ready for installation.

Flowsheet and equipment design was completed during 2012, and this year the Newcastle team will concentrate on supervision and construction activities. Two appointments have been made to ensure the project is completed in a timely and cost-effective manner:

- Andrew James-Buehler has been appointed Construction Manager and he will supervise the team of riggers, fitters and boilermakers required to complete the project's construction. Mr James-Buehler has been involved in many construction and refurbishment projects in the Newcastle and Hunter region and his intimate knowledge of the local supply chain will greatly assist the execution of the project.
- Austpac will also benefit from the technical and project development advice of an internationally-recognised chemical engineer with over 40 years' experience, who for 14 years provided the technical direction to a major project engineering company, has for the past 10 years as an independent consultant technically managed a number of processing plant developments for major companies around the world, and has been involved with Austpac and the Company's technologies since the 1990s.

With funds now in place and the project restarted last week, construction of the plant will be complete by the end of the first half of 2013, with commissioning commencing in the third quarter and production underway in the fourth quarter of 2013.

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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