

**August 17, 2012**

ASX ANNOUNCEMENT RE SALE OF E.L. 4521 (WIM 150)

Austpac Resources N.L. refers to the announcement to the ASX by Australian Zircon N.L. dated 16 August 2012.

In that announcement, Australian Zircon refers to an earlier announcement dated 10 November 2010 *“regarding an option held by a group from the People’s Republic of China to call for a transfer to a joint venture company of the Company’s WIM150 assets,”* and further advised that the *“option was not exercised within the prescribed time and has lapsed”*.

Austpac draws attention to Australian Zircon’s Directors Report in their 2010 Audited Statutory Financial Report which identifies the “group” referred to above as Orient Zirconic Resources Australia Pty Ltd (Orient Zirconic).

Austpac also refers to the Company’s announcement to the ASX dated 15 August 2012 regarding agreements between Austpac and Orient Zirconic.

Orient Zirconic has informed Austpac that the option agreement between Australian Zircon and Orient Zirconic has not lapsed.

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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