



AUSTPAC RESOURCES N.L.

ACN 002 264 057

Level 3

62 Pitt Street

SYDNEY NSW 2000

GPO Box 5297

SYDNEY NSW 2001

Telephone: (+61 2) 9252 2599

Facsimile: (+61 2) 9252 8299

Email: apgtio2@ozemail.com.au

www.austpacresources.com

28 March 2007

AGREEMENT SIGNED WITH ONESTEEL TO EVALUATE RECYCLING
APPLICATIONS FOR AUSTPAC'S EARS AND DRI TECHNOLOGIES
IN THE STEEL INDUSTRY

Austpac Resources N.L. is pleased to announce that an agreement has been signed with OneSteel Limited that will cooperatively progress the commercialisation of Austpac's EARS acid regeneration and Direct Reduced Iron (DRI) technologies. This new initiative involving the steel industry was developed using elements of our ERMS SR process, the synthetic rutile technology which we have been advancing over the past eight months with BHP Billiton.

The program will investigate the potential for Austpac's EARS acid regeneration process to recycle waste products generated by OneSteel's steelmaking processes, including using our pilot plant facilities to recover iron (as direct reduced iron pellets) from mill scale and spent pickle liquor. Austpac has previously conducted bench scale tests using mill scale, electric arc furnace dust, and pickle liquor. This work indicated that up to two tonnes of mill scale could be mixed with one tonne of spent liquor to regenerate one tonne of HCl and 1.6 tonnes of iron pellets. The economics of such a recycling operation appear to be very favourable.

The program will also examine the potential for recovery of iron and zinc from electric arc furnace dust, again using the EARS process. Due to the high levels of zinc (30%) contained in the dust, this new initiative will be commercially significant if the research work is successful.

The program will commence in April 2007 and be substantially complete by mid year. Larger scale test work is planned once the proposed ERMS SR Demonstration Plant at Newcastle has been completed and operated by processing ilmenite to produce high grade synthetic rutile and DRI pellets.

Other projects are also progressing well:

- Reporting for the BHP Billiton funded program has been completed. Austpac and BHP Billiton are now discussing the next stage of funding and activity for the ERMS SR project.
- In China, final legal documentation for the Cooperative Joint Venture is well advanced, and several new oxide gold mines are also being evaluated to expand the gold exploration portfolio. All activities are currently funded by Archipelago Resources.

For further information please contact:

Mike Turbott
Managing Director
Austpac Resources N.L.
Tel (+61-2) 9252-2599

Austpac Resources N.L. is an Australian listed minerals technology company and emerging synthetic rutile producer. Austpac's processes include technology to transform ilmenite into high grade synthetic rutile, a preferred feedstock for titanium dioxide pigment production. They can also be used to beneficiate a range of heavy minerals, as well as process waste chloride streams from a number of industrial operations, and recover iron units from waste iron oxides produced by steelmaking.