

14 January 2008

AGREEMENT SIGNED WITH MULTISERV

TO EVALUATE WORLDWIDE OPPORTUNITIES FOR THE APPLICATION OF

AUSTPAC'S TECHNOLOGIES IN THE STEEL INDUSTRY

Austpac is pleased to announce that it has signed an agreement with MultiServ Group Limited to identify and evaluate worldwide opportunities for the application of Austpac's processes in the steel industry.

Austpac has developed a new recycling technique to recover valuable products from Mill Waste (eg. spent pickle liquor, mill scale and arc furnace dust). This augments the Company's ERMS Synthetic Rutile process. The Company's dedicated Demonstration Plant, now nearing completion at Newcastle, New South Wales, will initially be used to prove the ERMS Synthetic Rutile process under an agreement with BHP Billiton. This work will be completed in August 2008. Following this, large scale testing using pickle liquor and iron oxide waste from the OneSteel Limited's Newcastle operations will demonstrate the steel recycling aspects of Austpac's technologies.

Under the agreement, MultiServ will, for a period of nine months, have access to Austpac's facilities and data to enable MultiServ to assess potential applications. Within the nine month evaluation period, MultiServ can opt to negotiate an exclusive agreement with Austpac for joint exploitation of the technology whereby MultiServ procures funding for any plant built to recycle Mill Waste. Any Mill Waste plants in Australia wholly or partly owned by Austpac prior to exercising that option are excluded from the agreement.

About MultiServ Group Limited

MultiServ [www.multiserv.com] is the world's largest provider of outsourced, on-site mill services to the global steel and metals industries, with over 170 operating sites in 35 countries. The company provides a comprehensive range of on-site services, including processes for slag handling and metal recovery, semi- and finished product management, integrated materials handling, specialist transportation, and asphalt and aggregate marketing. MultiServ designs, owns, operates and maintains facilities and infrastructure on site, operating under renewable long-term contracts as an integral partner to the steel mill.

MultiServ is wholly owned by US-listed **Harsco Corporation** [www.harsco.com], a diversified, worldwide industrial services company, operating in over 40 countries, and employing more than 21,000 people worldwide. Harsco serves some of the world's largest and most essential industries, including non-residential construction, steel and metals, energy, and railways. Harsco's 2006 revenues totalled \$3.4 billion, over 60% of which were generated internationally.

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

Austpac [www.austpacresources.com] is a minerals technology company focussed 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 dioxide pigment production. The technology can also be used to process waste chloride solutions and iron oxides produced by steel making to recover hydrochloric acid and iron metal pellets. A third process can be used to produce Direct Reduced Iron (DRI) from both hematite and magnetite iron ores.

For further information please contact

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