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## **AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT**

### **AUSTPAC AND ROTHSCHILD FORM TECHNOLOGY DEVELOPMENT JOINT VENTURE**

Austpac Resources N.L. is pleased to announce agreement in principle to form a Technology Joint Venture with N.M. Rothschild & Sons (Australia) Limited to continue the development of the Company's patented ERMS and EARS processes. The Joint Venture, in which Arrow Resources Management Pty Limited, a Rothschild subsidiary, holds a 10% participating interest and Austpac subsidiaries hold a 90% interest, will fund the operations of the ERMS and EARS pilot plants at Newcastle and maintain the various worldwide patents. The patents will be owned by the Joint Venture. The agreement is subject to formal documentation and normal Government approvals which are expected to be finalised shortly.

The Joint Venture replaces the Research and Development Syndication Agreement entered into by Rothschild and Austpac in 1993, whereby a royalty would be paid to the syndicate by any user of the technology. Under that arrangement the majority of the royalty income accrued to Rothschild, while Austpac funded all aspects of the technologies' development.

Under the new arrangement, Austpac will manage the Joint Venture and have an exclusive licence to commercialise the technology. Projects that use ERMS and EARS will still pay a royalty to the joint venture, but Austpac will receive 90% of such payments. Royalty income will be in addition to the income the Company receives as an equity participant in any project.

The formation of this Joint Venture demonstrates Rothschild's belief in the commercial potential of technologies, with Rothschild now taking a direct role and financially contributing to the ongoing development of ERMS and EARS. Rothschild will also continue to assist Austpac to identify and secure finance for the Company's projects.

For further information contact:

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