



AUSTPAC RESOURCES N.L.
ACN 002 264 057

Level 12, Currency House
23 Hunter Street
SYDNEY NSW 2000

GPO Box 5297
SYDNEY NSW 2001

Telephone: (+61 2) 9221 3211

Facsimile: (+61 2) 9223 1975

Email: apgtio2@ozemail.com.au

www.austpacresources.com

8 December 2004

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

AUSTPAC COMMENCES UPGRADE OF THE ERMS PILOT PLANT AT KOORAGANG ISLAND, NEWCASTLE

Austpac Resources N.L. is pleased to announce that the planned upgrade of the Newcastle pilot plant to a fully integrated ERMS SR facility capable of producing 200kg per hour (equivalent to 1,500 tonnes per year) of high grade synthetic rutile is now underway. The various elements of Austpac's ERMS and EARS technologies that constitute the ERMS SR process will be installed at the plant. The purpose of the upgrade is to operate the new plant for sufficient time to obtain all necessary data for the final design of Austpac's proposed 30,000 tpa commercial ERMS SR plant, which will lead into a detailed feasibility study for this project. Operating the pilot plant at the rate proposed will also significantly reduce any technology risk for the commercial plant because of the low scale-up factor of ~20:1.

A pictorial presentation of the pilot plant upgrade is available on the Company's website www.austpacresources.com and this file will be regularly updated. The upgrade should be well advanced by March 2005.

For further information please contact:

Mike Turbott
Managing Director

Austpac Resources N.L.
Tel: (+61-2) 9221 3211

For further information please contact:

Mike Turbott
Managing Director
Austpac Resources N.L.
Tel (+61-2) 9221-3211