



17 December 2008

EXTENSION OF MULTISERV AGREEMENT
TO EVALUATE WORLDWIDE OPPORTUNITIES FOR
AUSTPAC'S TECHNOLOGIES IN THE STEEL INDUSTRY

Austpac is pleased to announce that the Company has agreed to extend the agreement with MultiServ Group Limited to identify and evaluate worldwide opportunities for the application of Austpac's processes in the steel industry until mid 2009.

MultiServ requested a six month extension to the agreement, which was due to expire at the end of 2008.

The EARS section of Austpac's Newcastle ERMS SR Demonstration Plant has a capacity of 40 tonnes per day (equivalent to 13,000 tonnes per year), and it was operated for sufficient time in October 2008 to demonstrate the acid regeneration capability. Austpac plans to use the plant to recycle steel industry Mill Waste (eg. spent pickle liquor, mill scale and arc furnace dust). Therefore some equipment items are to be strengthened or refurbished to ensure the plant is capable of long term operations. The upgrade will commence in the first quarter of 2009 and the objective is to be fully operational by the second quarter, during which time MultiServ will be able to fully assess the EARS technology.

MultiServ now has until 30th June 2009 to elect to negotiate an agreement with Austpac for the joint exploitation of the technology whereby MultiServ funds any plant built to recycle Mill Waste. Any Mill Waste plants in Australia wholly or partly owned by Austpac prior to exercising that option, as well as the Newcastle ERMS SR plant, are excluded from the agreement.

For further information please contact:

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

WINNER: 2008 National Mining Awards APPLIED TECHNOLOGY OF THE YEAR

Austpac [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 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.