



18 October 2011

SHAREHOLDER UPDATE

NEWCASTLE IRON RECOVERY PLANT ON SCHEDULE

Austpac is pleased to report that construction of the Newcastle Iron Recovery Plant at Kooragang Island, Newcastle, is progressing on schedule. The Plant will recycle mill scale and spent pickle liquor from steel mills and produce iron chips or briquettes and strong hydrochloric acid for sale to the industry. The project commenced in May 2011 and progress has been steady with the following milestones achieved:

- Foundations are complete for the northern and eastern extensions to the process tower for the metallising and the briquetting areas respectively. All steelwork is being fabricated off site and erection of the briquetting tower will start later this month.



Foundations for north tower extension



New nitrogen and oxygen gas storage area

- The existing nitrogen tank has been relocated to a new bulk gas storage area and an oxygen tank has also been installed.
- A Construction Certificate has been issued for the bulk mill scale storage shed and foundations for the mill scale handling area within the Plant are complete.
- A prefabricated building to house the new motor control centre has been lifted onto the tower and installation of electrical equipment has commenced.

- Off-site equipment fabrication is well advanced. Delivery and installation will continue through the December quarter of 2011.



Pressure vessels at Toronto, NSW.



Mill scale screen at Dalby, Qld.



Fabrication of product silos.



Fabrication of steelwork for tower extensions

- Commissioning of sections of the plant will commence in the December quarter, and will continue through the March quarter of 2012.
- Integrated operations will start when commissioning of each section of the Plant is complete and production will commence in the first half of 2012.

For further information please contact:

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

Austpac Resources N.L. [www.austpacresources.com] is a minerals technology company currently focused on recycling waste chloride solutions and iron oxides produced by steel making to recover hydrochloric acid and iron metal. Austpac's technologies also transform ilmenite into high grade synthetic rutile, a preferred feedstock for titanium metal and titanium dioxide pigment production. The Company has been listed on the Australian Stock Exchange since 1986.

WINNER: 2008 National Mining Awards APPLIED TECHNOLOGY OF THE YEAR