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19 December 2002

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

ISCOR LICENCE FEE RECEIVED

Austpac is pleased to announce that a licence fee payment of \$US200,000 has been received from Kumba Resources Limited, which represents the second tranche of the fee payable under the commercial licence signed in July 1998 with the South African steel producer, Iscor Limited.

The licence followed an extensive testwork program conducted at Austpac's pilot plant at Newcastle in 1997-98. Austpac and Iscor jointly developed the now patented Beneficiated Titania Slag (BTS) Process, which uses some aspects of Austpac's technologies to upgrade titania slag.

Further fees are payable if a slag beneficiation plant is constructed within the Iscor Heavy Minerals (IHM) Project, which comprises a mine and titania slag smelter near Richards Bay in South Africa. This project, scheduled to commence slag production in 2003, is now managed and 40% owned by Tigor Limited, and has been renamed the Tigor South Africa Project.

For further information please contact:

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