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AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

AUSTPAC RESOURCES N.L. SIGNS AGREEMENT WITH INDIAN RARE EARTHS LIMITED FOR ERMS SYNTHETIC RUTILE PLANT IN INDIA

Austpac Resources N.L. and Indian Rare Earths Limited (IRE), a Government of India undertaking, have agreed, subject to the outcome of a feasibility study now in progress, to establish a 10,000 tonnes per year synthetic rutile plant in India. The plant will incorporate Austpac's proprietary ERMS technology and will be located within IRE's Orissa Sands Complex (OSCOM) to take advantage of existing infrastructure. The feasibility study into this plant is well advanced.

The parties envisage incorporating a joint venture company, in which Austpac will have a 74% participating interest and IRE a 26% participating interest, to develop and operate the plant. Subject to finance and all necessary Government approvals being in place, construction will commence by the middle of 1999.

For further information contact:

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