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AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

ISCOR SIGNS SECOND TECHNOLOGY LICENCE WITH AUSTPAC

Austpac Resources N.L. is pleased to announce that it has signed a second and separate technology licence with Iscor Limited, South Africa's major steel producer.

The licence is for the use of Austpac's EARS acid regeneration process. It complements the first licence signed in July with Iscor for the use of other aspects of Austpac's technologies within Iscor's Heavy Mineral Project.

The Heavy Mineral Project is new and will encompass the construction of a mine, mineral separation plant and a 250,000 tpa titania slag smelter complex at Empangini, near Richards Bay in Kwa Zulu - Natal Province, South Africa.

After 18 months prior collaboration, in September 1997 Iscor commissioned a \$670,000 testwork program at Austpac's Newcastle facilities. The program, which included the rebuilding and upgrading of the EARS pilot plant, was followed by negotiations which led to the signing of the two important technology licences. At the request of Iscor, details of both licences remain confidential until construction of the Heavy Mineral Project has commenced.

The EARS licence is the second significant endorsement of the commercial potential for Austpac's technologies by a major international company.

For further information contact:

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