



AUSTPAC RESOURCES N.L.
ACN 002 264 057

Level 3
62 Pitt Street
SYDNEY NSW 2000
GPO Box 5297
SYDNEY NSW 2001
Telephone: (+61 2) 9252 2599
Facsimile: (+61 2) 9252 8299
Email: apgtio2@ozemail.com.au
www.austpacresources.com

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Austpac Licences the LTR Process for use in Africa

Austpac is pleased to announce that BHP Billiton has licensed the Company's LTR (Low Temperature Roasting) technology for use in Africa. The licence is non-exclusive and licence fees are based on the gross sales revenue from any LTR Plant that BHP Billiton builds to process ilmenite concentrate.

The LTR process has been developed by Austpac to upgrade contaminated ilmenite concentrates. The process uses controlled fluid bed roasting at less than 700°C to enhance the magnetic susceptibility of the ilmenite so it can be easily separated from less magnetic, deleterious gangue minerals, such as chromite. LTR-roasted ilmenite is still soluble in sulphuric acid, and can therefore be used to produce TiO₂ pigment via the "sulfate" process. If ilmenite is roasted at high temperature, as is the normal procedure, the titania component is insoluble in acid and it is unsuitable for making TiO₂ pigment.

In 2004 the LTR process was demonstrated in a 2.5 tonnes per hour roasting and magnetic separation plant designed by Austpac. The LTR plant was built by New Zealand Steel at their facilities at Glenbrook near Auckland, New Zealand, and successfully operated for six months. Iron minerals rejected as waste were recovered and conditioned for use in the steel making process, together with an ilmenite concentrate as a separate stream.

Pilot scale testwork conducted earlier this year at Austpac's Newcastle facilities demonstrated that the LTR process is able to produce a clean, sulfatable ilmenite from BHP Billiton's Corridor Sands deposit in Mozambique. The LTR licence is the second licence Austpac has granted to BHP Billiton in the last 12 months.

In a separate announcement to the ASX, Austpac today advised that the Company had placed 30 million shares with BHP Billiton at 10 cents each, as part of a 57 million share placement which raised \$5.7 million. The funds will be used to commence a detailed engineering study into a 60,000 tpa commercial ERMS SR plant and for working capital. BHP Billiton now holds 55 million shares, which represents 7.25% of the issued capital of the Company, and is Austpac's largest shareholder.

For further information please contact:

Mike Turbott
Managing Director
Austpac Resources N.L.
Tel (+61-2) 9252-2599

Austpac Resources N.L. is an Australian listed minerals technology company and emerging synthetic rutile producer. Austpac's processes include technology to transform ilmenite into high grade synthetic rutile, a preferred feedstock for titanium dioxide pigment production. They can also be used to beneficiate a range of heavy minerals, as well as process waste chloride streams from a number of industrial operations.