



14 October 2008

EXTENSION OF AGREEMENT WITH MULTISERV
TO EVALUATE WORLDWIDE OPPORTUNITIES FOR
AUSTPAC'S TECHNOLOGIES IN THE STEEL INDUSTRY

Austpac is pleased to announce that the agreement signed in January 2008 with MultiServ Group Limited to identify and evaluate worldwide opportunities for the application of Austpac's processes in the steel industry has been extended by mutual consent.

The original agreement was for nine months and gave MultiServ access to Austpac's facilities and data to enable MultiServ to assess potential applications. When the agreement was signed in January 2008 it was expected that Stage 2 operations at the ERMS SR Demonstration Plant would be completed by September 2008. On the 10th October 2008, Austpac announced that the Plant had successfully regenerated pickle liquor and would shortly commence leaching ilmenite and producing synrutile and iron. These operations will continue until the end of October 2008.

Austpac and MultiServ agreed to extend the evaluation period to allow MultiServ engineers to observe the fully operational EARS Acid Regeneration plant. MultiServ now has until 31st December 2008 to elect to negotiate an exclusive agreement with Austpac for joint exploitation of the technology whereby MultiServ funds any plant built to recycle Mill Waste (eg. spent pickle liquor, mill scale and arc furnace dust). Any Mill Waste plants in Australia wholly or partly owned by Austpac prior to exercising that option are excluded from the agreement. The Newcastle ERMS SR plant, which Austpac plans to use to commercially process Mill Waste, is also excluded from the agreement.

For further information please contact:

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

WINNER: 2008 National Mining Awards APPLIED TECHNOLOGY OF THE YEAR

Austpac [www.austpacresources.com] is a minerals technology company focused on the titanium, steel and iron ore industries. It has been listed on the Australian Stock Exchange since 1986. Austpac's key technology transforms ilmenite into high-grade synthetic rutile, a preferred feedstock for titanium dioxide pigment production. The technology can also be used to process waste chloride solutions and iron oxides produced by steel making to recover hydrochloric acid and iron metal pellets. A third process can be used to produce Direct Reduced Iron (DRI) from both hematite and magnetite iron ores.