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Austpac Share Placement Raises \$5.7 million

Austpac is pleased to announce that the Company has completed a private placement of 57,000,000 ordinary fully paid shares at 10 cents each to raise \$5.7 million. 30,000,000 shares were placed with BHP Billiton, and 27,000,000 shares were placed with professional investors. The funds will be used to commence a detailed engineering study into a 60,000 tpa commercial ERMS SR plant and for working capital.

The placement increases BHP Billiton's holding in Austpac to a total of 55,000,000 shares, which represents 7.25% of the Company. BHP Billiton remains Austpac's largest shareholder.

The 3,000 tpa ERMS SR Demonstration Plant at Newcastle is roasting a total of 720 tonnes of ilmenite concentrate; 150 tonnes from Consolidated Rutile's Stradbroke Island operations, 500 tonnes from Bemax's Murray Basin operations, and 70 tonnes from BHP Billiton's Corridor Sands deposit in Mozambique. By September 2008, a total of 300 tonnes of synrutile and 200 tonnes of iron pellets will have been produced. This will demonstrate the suitability of the ERMS SR process for upgrading these types of ilmenite to high grade synrutile and an iron pellet co-product. BHP Billiton has a licence to use the ERMS SR process in Africa.

In a separate announcement to the ASX, Austpac today advised that the Company had licensed the Company's LTR (Low Temperature Roasting) technology to BHP Billiton for non-exclusive use in Africa. The LTR process is used to produce a cleaner feedstock for TiO₂ pigment manufacture by removing deleterious minerals such as chromite from ilmenite concentrates. This leaves the ilmenite amenable to digestion in sulfuric acid used by the sulfate TiO₂ pigment process.

For further information please contact:

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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.