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11 October 2001

**AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT**

**PLACEMENT OF 15,000,000 FULLY PAID ORDINARY AUSTPAC RESOURCES N.L. SHARES**

Austpac Resources N.L. is pleased to announce the placement of 15,000,000 fully paid ordinary shares at 8 cents each to raise $1,200,000 for working capital.

This issue will rank equally with the existing issued capital of the Company. This placement was arranged by Intersuisse Corporate Pty Limited.

Austpac Resources N.L. is about to commence a joint drilling program in the Murray Basin with Ticor Limited. The program is focused on delineating coarse grained strand line heavy mineral deposits in the western half of Exploration Licence 4521 held by the Austpac-Ticor Joint Venture.

The targeted exploration area is adjacent to the Douglas project, where Basin Minerals Limited has discovered multiple strand lines containing coarse grained heavy minerals. The Douglas project has a reported resource of 24 million tonnes of heavy minerals. Evaluation by Austpac of existing data, including Landsat, airborne geophysical data and intersections of coarse grained minerals from previous widely spaced drilling, indicates very good potential for the discovery of strand line deposits in the western half of the Licence.

Austpac Resources N.L. and Ticor Limited have also commenced a study into the establishment of a synthetic rutile facility to upgrade ilmenite from the Murray Basin, Australia. The study is being conducted under the 50-50 Austpac-Ticor Joint Venture, executed in July 2000, for the worldwide application of Austpac's ERMS and EARS technologies.

It is probable that the level of ilmenite production from the Murray Basin will soon justify investment in a value-adding synthetic rutile complex. Such a facility would use the Austpac patented ERMS and EARS processes to upgrade the ilmenite to a preferred feedstock for the chloride-route $TiO_2$ pigment producers. Austpac has already confirmed through pilot plant work at Newcastle that its processes are ideally suited to the upgrading of Murray Basin ilmenites. These ilmenites are generally not amenable to traditional Becher synthetic rutile technology.

Murray Basin ilmenite concentrates also contain elevated levels of chromite, an impurity that is an impediment to marketing of the ilmenite. An ERMS/EARS facility could have the flexibility to remove chromite and so produce saleable ilmenite, as well as high grade synthetic rutile for export.

This initial study will examine potential plant locations within the broader Murray Basin region, raw material supply options (including ilmenite, coal or other energy sources, and water), infrastructure and Government incentives.

For further information please contact:

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