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AUSMELT WINS MAJOR LEAD CONTRACT IN BRAZIL AND FINALISES CONTRACTS FOR RUSSIAN LEAD PROJECT

August 16, 2007

Ausmelt Limited (AET) has signed a basic design engineering contract and technology licensing agreement with Votorantim Metais Zinco S.A. for a lead smelter to be constructed in Juiz de Fora in Brazil.

The Company has also signed an equipment supply contract with a Russian non-ferrous metals client as the final contractual step in a new lead project in the Urals area.

The new Brazilian and Russian contracts have a combined revenue value approaching $4.5 million for Ausmelt.

Brazil

Votorantim Metais Zinco S.A, is part of the Votorantim Group, one of Latin America's largest and strongest conglomerates, with operations in cement, pulp and paper, metals, agribusiness, chemicals, energy, finance and new ventures.

Ausmelt and Votorantim have also agreed major terms for a detailed design, equipment supply and commissioning services contract that will proceed to signature once the necessary environmental and government approvals have been given for the project.

The recently executed contracts follow a feasibility study completed by Ausmelt and delivered to Votorantim in June 2006.

Basic design work will start immediately. The smelter will be designed to produce around 75,000 tonnes a year of lead bullion from a combination of lead concentrates and lead scrap, mainly from recycled batteries.

Ausmelt Managing Director Mr Paul Abbott said Ausmelt was delighted to have won its first project in Brazil, particularly with a company the size and prestige of Votorantim.

"Ausmelt has previously completed contracts in Russia, India and China. This Brazilian contract rounds out our experience in the fastest growing regions of the world, the so-called BRIC economies," Mr Abbott added.

Russia

In July 2006, the company signed a contract to provide basic engineering and concluded a technology licensing agreement with a major Russian metallurgical company. The project is a new lead smelter in the Ural Mountains in far western Russia.

In March this year, Ausmelt won an extension of this contract covering detailed engineering design and site services. The final stage of the contract, covering equipment supply, has now been successfully negotiated with the client.

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