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AUSMELT WINS SECOND LEAD SMELTER CONTRACT IN CHINA

Ausmelt Ltd has won its second lead smelter contract in China.

The contract price is confidential but will provide material revenues and profits to Ausmelt over the next two years.

The company will supply a lead smelter with a capacity to produce 60,000 tonnes of lead a year to Hulunbeier Chihong Mining Limited (HCML) in China's Inner Mongolia Province. HCML is a subsidiary of Yunnan Metallurgical Group (YMG).

Under the contract, Ausmelt will provide lead smelting technology, design engineering services, commissioning services and equipment.

YMG Vice General Manager, Mr. Lu Huiyang said that YMG is very pleased to have finalized the technology selection for this critical project.

"We have been preparing our organization for this Hulunbeier project for a long time and it forms a crucial part of our strategic plans. We are very pleased to be working with Ausmelt on this project."

Ausmelt Managing Director, Mr. Paul Abbott, said today Ausmelt's top submerged lance technology was now clearly the technology of choice in the lead industry.

"There are now nine Ausmelt Technology lead smelters operating, or under construction, around the world with a combined production capacity approaching 700,000 tonnes a year of lead metal.

"With the inclusion of this project our technology will account for 8% of the global annual production of lead and this share is growing strongly."

Mr. Abbott said this was the 11th TSL smelting project Ausmelt had won in China.

"This signing confirms Ausmelt's observation that the global economic crisis might have slowed market demand but that contract opportunities will continue to be available for Ausmelt because we are providing the best available technology."

Ausmelt's order book remains strong with over \$45 million in contracted revenue yet to be taken to book.

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