



## MPAC INDUSTRIES CORPORATION

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### NEWS RELEASE

October 25, 2006

SYMBOL: "MPN"

### CORPORATE UPDATE – TOKAT/ZILE COAL MINE

**October 25, 2006: Vancouver, British Columbia** – MPAC Industries Corp. (the "Company" or "MPAC") is pleased to provide the following corporate update on its recent activities.

After a rather lengthy assessment of various coal mine opportunities in Turkey, the Company has reached a final decision on the location of the first coal refining plant: the Tokat / Zile mine (the "Coal Mine") located in the Black Sea region of Anatolia, Turkey as discussed in the News Release of August 23, 2006. This decision was further under-pinned by the fact that the Company has encountered certain difficulties with the owners of the Ibrice coal mine which may delay or prevent the Company from commencing production there. MPAC is working to resolve this situation.

As reported in the News Release of August 23, 2006, the Company has converted the March 30, 2006 referenced Memorandum of Understanding (MOU) relating to the Tokat/Zile coal mine into a Definitive Agreement (the "Agreement"). The Agreement has a duration of forty (40) years, well within the time limits allowed under Turkish mining law. In addition, the operator of the Coal Mine has revised, after further analysis of the originally reported estimated coal reserves at the Coal Mine, both the indicated reserves and the average kilocalorie (KCal) value. The revised reported estimated reserves are now fifty (50) million tonnes (compared to the original reported estimate of thirty (30) million tons) at an average value of at least three thousand (3,000) KCal per kilogram, which was

previously estimated to be less than three thousand (3,000) KCal per kilogram. The overall ash percentage of the reserve is within similar values as the two coal samples the Company has previously tested in Canada.

As called for under the terms of the Agreement, the Company has secured a Promissory Note from the Tokat / Zile coal mine operator for United States three million dollars (US\$3,000,000) to secure payment to the Company for the refined coal under the Agreement. As well, MPAC has obtained a long-term lease on a suitable five-acre site (the "Site") to operate its facility on the Coal Mine.

The Company's coal refining facility requires clean water and adequate power to be available on the Site, and the engineers in Turkey have addressed both of these requirements to the satisfaction of the Company. There are two appropriate sources of water near the Site. Engineers are currently in the process of evaluating which of those sources best suits the overall requirements of the plant, both from an economic and engineering perspective.

The Company is in the process of setting up the Customs clearance formalities relating to the importation of its manufactured plant equipment originating in Canada. In addition, the Company is pleased to report that MPAC has also now finalized and obtained the necessary tax exemptions relating to VAT on all the components required for its coal refining facility in Turkey. This tax exemption extends to all imported as well as locally manufactured components. MPAC has also applied for intellectual property transfers into Turkey to be included as its "paid up capital" in the subsidiary Turkish company.

With respect to the overall design of the plant, the Company expects to receive the final schematics from the engineers shortly. Once these final plans are received and approved, construction on site is expected to commence in order to accommodate the installation and operation of both the equipment currently en-route via transatlantic container ship bound for Turkey, as well as other required equipment on the Site. Other things being equal, the Company expects to have commenced production and delivery of refined coal at the Tokat / Zile coal mine prior to the end of the first quarter of 2007.

The Company has also been offered three (3) additional coal mines strategically located within close proximity of coal-consuming industrial markets. The preliminary investigation indicates that at least two (2) of these coal mines fall well within the technical parameters of MPAC's requirements for coal mines. The Company is further investigating these potential coal mines with a view to entering into appropriate binding memorandum of understanding in due course.

This news release contains forward-looking statements, which are based on MPAC Industries' current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. The forward-looking statements are not guarantees of future performances and undue reliance should not be placed on them. Actual results may differ materially as a result of any number of factors and uncertainties, many of which factors are beyond the Company's control. MPAC Industries Corporation undertakes no obligation to revise any forward-looking statements except as required by applicable securities laws.

**For further corporate information, please contact:  
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**BY THE ORDER OF THE BOARD**

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Firoz Lakhani  
President & CEO

*The TSX Venture Exchange neither approved nor disapproved the contents of this news release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.*