



MPAC INDUSTRIES CORPORATION

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NEWS RELEASE

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SYMBOL: "MPN"

MPAC SIGNS MOU WITH YALVAÇ MINE OWNER

August 21, 2007: Vancouver, British Columbia – MPAC Industries Corp. (the "Company" or "MPAC") is pleased to announce that, in keeping with its intent to initially concentrate its efforts to refine coal in the western part of Turkey, it has entered into a Memorandum of Understanding (the "MOU") with the Yalvaç coal mine owner to refine their coal using the Company's coal upgrading and refining process.

The Yalvaç coal mine (the "Coal Mine") is situated approximately 370 kilometres south-east of the Soma coal mine, where the Company is preparing to bring into commercial production its first coal refining plant in Turkey. There are currently four (4) operating cement plants located in close proximity to the Coal Mine with an additional two (2) cement plants slated for construction in the immediate future. These cement plants are currently consuming coal with similar properties to MPAC's refined coal envisioned coming from the Coal Mine.

In terms of transfer costs, the Yalvaç mine enjoys many positive attributes. Being located approximately forty (40) kilometres from the nearest rail station allows MPAC's proposed refined coal to be marketed further afield. In addition, the transportation network in the vicinity of the Coal Mine enables easy access to the port of Bandirma, which opens up the possibilities of servicing the numerous cement factories in and around the Istanbul area.

The pricing structure and selected other pertinent details contained in the MOU are as follows:

- The base refining price for each tonne of refined coal (the "Coal") produced will be forty-eight US Dollars (USD \$48) for all Coal delivered by MPAC with a kilo-calorie ("KCal") value between four thousand (4,000) and fifty-five hundred (5,500);

- The refining price escalates to fifty US Dollars (USD \$50) for Coal delivered with a KCal value between 5,501 and 6,000;
- The refining price escalates to fifty-seven US Dollars (USD \$57) for Coal delivered with a KCal value between 6,001 and 6,500;
- The refining price escalates to sixty US Dollars (USD \$60) for Coal delivered with a KCal value at or above 6,501;
- The above pricing structure is fixed for the first five (5) years of the forty (40) year term (the "Term") of the agreement. The pricing for each subsequent five (5) years of the Term are to be mutually agreed upon, but shall not be less than that price paid for the previous five (5) year term;
- The minimum annual ROM tonnage that the Coal Mine owner must provide to MPAC has been agreed as adequate to allow MPAC to produce a minimum of three hundred & sixty-three thousand (363,000) tonnes of Coal each year for the first five-year (5) term; and
- It is the intention of the parties to the MOU to exercise best efforts to convert the MOU into a definitive agreement (the "Definitive Agreement") by July 31, 2008, and to commence commercial production within 120 days of signing the Definitive Agreement, and be in full capacity production prior to the end of 2008.

The MOU is subject to a number of conditions, including, but not limited to both the parties being satisfied with the test results of the Coal from the Coal Mine.

It is the intention of the parties to test the coal from the Yalvaç deposit at the Soma coal refining plant in the first quarter of 2008. Owing to the lengthy construction and shipping time-lines for certain of MPAC's coal refining plant components, it is the intent of the Company to order these components for the Coal Mine once the aforementioned testing is satisfactorily concluded and all the due diligence has been completed as called for in the MOU.

The Yalvaç coal mine has been in operation for at least the past ten years.

A conservative estimate of the tonnage of coal at the Coal Mine is stated to be approximately 25 million tonnes with a potential to increase that tonnage substantially with further exploration.

There is also a fourteen percent (14%) royalty payable to an arms-length third-party. This Royalty is, as before, based on the actual audited EBITDA of MPAC for the unconsolidated Yalvaç operation.

The Company is pleased to have entered into the MOU as it moves MPAC further along in its goal to establish a strong foothold in the hub of the coal mining activity in western Turkey.

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.

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BY THE ORDER OF THE BOARD

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.