

April 2008

# Update

GLADSTONE COMMUNITY



GLADSTONE PACIFIC NICKEL LTD

## Reputation and commitment

Nothing is more valuable to a person than their good reputation and that is exactly the case with Gladstone Pacific Nickel Limited. We pride ourselves on our reputation and will defend it staunchly.

This is why we are distressed by some southern media commentators who have chosen to misrepresent our Environmental Impact Statement. They suggested – wrongly – that our project would damage Gladstone's harbour and air quality. Nothing could be further from the truth.

The fact of the matter is that officers of the Queensland Health department have quite rightly asked for assurances that our project will not cause any environmental damage. We applaud them for protecting the community interest – your best interests. As an organisation that wants to be a long-term member of this community we believe we share your interests and are keen to protect them.

## A \$4 billion investment

Please let me explain why it is important that the Gladstone community understands the Environmental Impact Statement (EIS) process. The EIS is a study demanded by government for projects deemed to be 'Significant'. With this project poised to invest well over \$4,000 million into this area, we agree it certainly does have significance.

The purpose of an EIS is to identify potential environmental, social and economic impacts of a project and propose sustainable ways to prevent, minimise or manage them. In order to understand all the issues which need to be considered, every individual and organisation which takes an interest in this project is entitled to have a say. They can praise it, condemn it, put other points of view or simply ask questions.

Our responsibility is to catalogue every single issue raised in the consultation process. These are then put to the government so that relevant departments can analyse them and make their own comments. It is then our responsibility to conduct studies to assess the issues raised and find ways of minimising or eliminating any concerns.

## World-class people

We engage specialist consultants to conduct these studies – and we have some of the best in the world working on our project – in order to identify solutions. This is where Queensland Health has become involved. Their specialist staff have sensibly raised some issues as part of the EIS consultation process and our specialist consultants are investigating possible solutions.

Be mindful that nothing will happen unless and until the Queensland Government is satisfied there will be no problems and – hopefully – says the project can proceed.

The process which is now underway is the Queensland Government's assessment of the EIS Supplementary report submitted in February 2008 which details our responses to all the issues raised in the original EIS including, where necessary, additional environmental studies.



**John Downie**  
Chief Executive Officer  
Gladstone Pacific Nickel Ltd

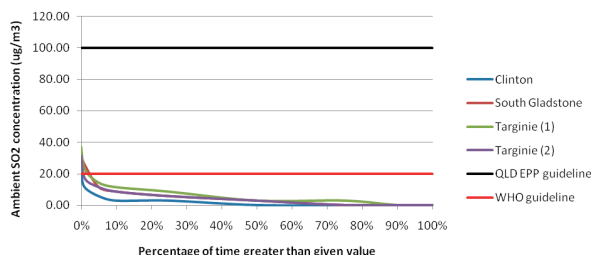


### Air quality

Similarly, a Queensland Health officer questioned sulphur-dioxide emissions. Southern media claimed our project would pump four times the recommended limit into Gladstone's air. That is incorrect. The fact is that we are committed to installing highly efficient off-gas treatment facilities and the most modern contact acid plants. This will enable us to achieve World Best Practice sulphur-dioxide emission control.

The graph clearly shows that Sulphur-dioxide concentrations in 2005 were well below the Queensland EPP guideline level and were below World Health Organisation (WHO) Target levels 95% of the time. As no new projects have come on line since this time, these levels are considered representative of current levels. Our project would have a small impact on this graph.

Ambient sulphur dioxide concentration statistics (2005) Gladstone Region



### Clever thinking

There are a number of ways we are already proving our value to the Gladstone community. For instance, we conducted test programs that have shown it is in fact better to use sea water than fresh water in the nickel recovery process.

Additionally, we will be importing much of the nickel ore from offshore and value-adding by processing it here. This is in stark contrast to much of Australia's old 'quarry mentality' of digging ore here but shipping it elsewhere for the more profitable value-adding. This will massively boost economic activity in this region and create hundreds of jobs for decades.

Another example of clever thinking is that our refining process harnesses heat and uses this as a fuel to power the plant, avoiding the necessity to unsustainably burn fossil fuels.

### A prosperous future

You might be interested to know that this plant has the potential to meet 5% of the world's total demand for nickel and, if market conditions are favourable, that could be doubled. It certainly signals a vibrant and prosperous future for Gladstone.

That prosperity will have its most notable impact in job creation. For Stage 1, that would be 2,200 construction jobs and 530 operational jobs. The flow-on effects, of course, are a community that enjoys enviable infrastructure and lifestyle opportunities.

### We're here for the long-term

The bottom line for us is that we intend to be part of this community for the long-term. We want to be part of the fabric of this place and help make it one of the very best places to live. We can't and won't do that by polluting the region or otherwise damaging it. We care. And we look forward to showing just how much we care as the years go by.

Please remember that if you have any questions or comments you would like to make, you can visit our website – [www.gladstonepacific.com.au](http://www.gladstonepacific.com.au) – or pop in to see Helen Thumpkin in our Gladstone office at shop 4, 15A, 45 Dawson Highway.

I look forward to sharing more relevant information as the EIS process proceeds.

**John Downie**  
Chief Executive Officer



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