

Gladstone Pacific Nickel Limited (ABN 27 104 261 887) ("GPNL")

Supplementary Target's Statement

1. Introduction

This document is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth). It is the first supplementary target's statement (*Supplementary Target's Statement*) issued by GPNL in relation to its target's statement dated 5 October 2010 (*Original Target's Statement*).

This Supplementary Target's Statement supplements, and should be read together with, the Original Target's Statement. A copy of this Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

2. Further Information and Amendment to the Original Target's Statement

The Board has obtained advice on the matter disclosed in section 7.1 of the Original Target's Statement. The Board has concluded that there is no evidence of any matter which gives rise to a claim and therefore it will not be pursuing that matter.

The Target's Statement is therefore amended as follows:

- Page 5, fifth bullet point, delete the last sentence cross referring to section 7.1.
- Section 7.1 - delete and replace with:

7.1 Litigation

There is no current litigation of a material nature against GPNL or any controlled entity of GPNL. Your Directors have no knowledge of any potential material litigation against GPNL or any controlled entity of GPNL.

This document has been approved by a resolution passed by the directors of GPNL. Professor Clive Palmer absented himself from the meeting on the basis of him having a material personal interest, in accordance with section 195 of the Corporations Act.

Signed for and on behalf of Gladstone Pacific Nickel Limited:



Domenic Martino, Chairman

12 October 2010