

news release

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GLADSTONE PACIFIC NICKEL LIMITED

DRILLING UPDATE

Gladstone Pacific Nickel Ltd ("Gladstone" or "the Company"), the AIM-listed company developing a fourth generation high-pressure acid leach ("HPAL") plant and cobalt and nickel laterite mine in Queensland, Australia, is pleased to announce further recent drilling results.

More than 20,000 metres of the RC drilling programme has been completed. The Definitive Feasibility Study requires the drill programme to provide infill information on known deposits to enable detailed mine planning to proceed. In addition, drilling is aimed at extending the resource base. The drilling programme has been successful in both of its objectives, in firstly extending the resources at Slopeaway and Coorumburra and secondly in defining new resources at Gumigil East.

Update on Significant Drill Intersections

TABLE 1 – (EXISTING) SLOPEAWAY PROSPECT

Drill Hole	From (m)	To (m)	Metres	% Ni	% Co
SLP034	15	21	6	1.06	0.02
	54	60	6	1.02	0.03
SLP037	6	9	3	1.11	0.13
SLP042	37	44	7	1.06	0.03
SLP060	Surface	13	13	1.26	0.03
SLP131	Surface	8	8	1.72	0.06
SLP144	22	24	2	0.90	0.03
	27	29	2	0.95	0.04
	30	46	16	1.06	0.03
SLP150	7	12	5	0.94	0.09
SLP173	5	12	7	1.28	0.08
	20	23	3	1.80	0.04
	33	39	6	0.90	0.04
SLP221	10	14	4	1.08	0.09
	18	27	9	0.96	0.02
SLP224	30	34	4	1.14	0.24
	44	46	2	1.62	0.02
SLP225	23	25	2	1.06	0.29
	34	46	12	1.38	0.03
SLP271	6	18	12	0.79	0.03
SLP329	27	30	3	1.14	0.07
	37	39	2	1.02	0.04
SLP332	28	35	7	1.24	0.06
SLP333	10	19	9	1.28	0.02

TABLE 2 – (EXISTING) COORUMBURRA PROSPECT

Drill Hole	From (m)	To (m)	Metres	% Ni	% Co
COR016	9	12	3	1.30	0.08
COR018	1	12	11	1.02	0.04
COR021	20	29	9	0.93	0.08
COR043	59	67	8	0.81	0.03
COR054	39	50	11	0.86	0.02

TABLE 3 – (NEW) GUMIGIL EAST PROSPECT

Drill Hole	From (m)	To (m)	Metres	% Ni	% Co
GUM003	20	22	2	0.99	0.28
	40	44	4	1.15	0.03
GUM010	Surface	10	10	1.34	0.03
GUM011	8	12	4	1.02	0.02
GUM019	3	11	8	1.12	0.08
	17	22	5	0.93	0.03
	37	41	4	1.19	0.03
	43	47	4	0.95	0.03
GUM022	6	18	12	1.15	0.02
	29	33	4	0.78	0.02
GUM029	22	37	15	0.87	0.03
	41	44	3	0.98	0.03
	47	51	4	0.79	0.02
GUM030	7	31	24	1.28	0.02
GUM034	Surface	3	3	0.78	0.01
	14	18	4	1.20	0.01
GUM036	22	40	18	1.17	0.04
GUM037	Surface	2	2	1.67	0.06

A review of the drill programme and more efficient siting of boreholes has led to an expected reduced number of metres to be drilled for 2005. The total meterage is now expected to be 27,000m. The efficiencies gained through this redesign of the programme will allow Gladstone to drill additional highly prospective areas in 2006, thereby having the potential to add further mineral resources in addition to those already added during the current programme.

Aker Kvaerner Australia (AKA)

AKA has formally been appointed to undertake the engineering component of the Definitive Feasibility Study for Stage 1 of the Project.

Mr. Robert Pearce, Chairman of the company commented, "The signing of the formal contract with AKA is a major step forward. The drilling results are very pleasing, demonstrating good grades that more than back up those reported by the orebody's previous owner. Sufficient work has now been completed on the drilling and metallurgical testing programme for AKA to commence its detailed engineering study. Although the timetable has been delayed about a month (because of rain interruption to the drilling programme and problems at the assay laboratories), I am confident that we will pick up some, if not all, of this slippage as the programme proceeds."

"The granting of 'Significant Project' status by the Queensland Government last month as previously reported, for not only our Project, but also the Wiggins Island port expansion at Gladstone, has accelerated our plans."

"Peter Matheson and I will be in London for the Annual General Meeting being held on November 16th, and Peter will be presenting a paper at the Mines and Money Conference being held from November 21st to 23rd."

Ends

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