

Regulatory Announcement

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Company	Gladstone Pacific Nickel Limited
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Gladstone Pacific Nickel Limited
20 March 2007

Gladstone Pacific Nickel Limited (ACN 104 261 887) announces up to US\$40 million equity financing

Brisbane, Australia - (March 20, 2007) - Gladstone Pacific Nickel Ltd (AIM: GPN) ("Gladstone" or the "Company") is pleased to announce that it has entered into an agreement with a syndicate led by Research Capital Corporation and including BMO Capital Markets Corp. and Transocean Securities Pty Ltd. (together the "Agents") to raise up to US\$40 million through the sale of Special Warrants. The offering price for the Special Warrants will be determined by the Agents and Gladstone in the context of the market.

Gladstone will use its commercial best-effort to list its ordinary shares (the "Ordinary Shares") on the Toronto Stock Exchange (TSX) or the TSX Venture Exchange and obtain a receipt of a prospectus qualifying the distribution of the Ordinary Shares within 180 days following the closing of the transaction, upon which, each Special Warrant will automatically be exchangeable into one Ordinary Share of Gladstone at no additional cost.

The net proceeds from the Offering will be used to fund the Definitive Feasibility Study (which is expected to be completed by the end of the 3rd quarter 2007), fund additional offshore ore purchase agreements & development, allow Front End Engineering Design to proceed, place deposits on land purchases and long lead items and general working capital requirements.

At closing, the Agents will be paid an aggregate fee equal to 7% of the aggregate gross proceeds from the financing. As additional consideration, at the closing of the financing, the Agents will be issued such number of warrants (the "Broker Special Warrants") to acquire 7% of the aggregate number of Special Warrants sold pursuant to the financing for a period of 24 months following closing, at the offering price.

About Gladstone:

Gladstone Pacific Nickel Limited is an Australian mining development company presently undertaking a Definitive Feasibility Study for the Gladstone Nickel Project. Its Ordinary Shares are currently traded on the AIM market of the London Stock Exchange (Trading code: GPN). The Company's vision is to build a major long-life nickel cobalt refinery at the deepwater Port of Gladstone, in Central Queensland, Australia, treating abundant high grade nickel laterite ores from New Caledonia and other south-west Pacific islands, underpinned by beneficiated ores from its own Marlborough deposits. The Project has the potential to be one of the largest of its type in the world producing some 60,000 tpa nickel (5% of the current global nickel demand) and 4,800 tpa of cobalt metal from its first stage.

ON BEHALF OF GLADSTONE PACIFIC NICKEL LTD.

Robert A. Pearce

Executive Chairman

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