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news release

For immediate release:

7 June 2007

GLADSTONE PACIFIC NICKEL LIMITED (ACN 104 261 887)

US$40 MILLION FINANCING COMMITTED

- Gladstone Pacific Nickel Limited ("Gladstone" or "the Company") announces the completion of a fully subscribed private placement, raising approximately US$40 million.

- Special Warrants to the value of approximately US$30 million have been issued today while Special Warrants to the value of approximately US$10 million have been committed and the issue will be closed as soon as possible and not later than 13 August 2007.

- These funds will enable Gladstone to progress its business plan including the completion of its Integrated Definitive Feasibility Study for the Gladstone Nickel Project ("GNP") and the furtherance of ore supply agreements.

- Gladstone is pursuing a listing of its ordinary shares on the Toronto Stock Exchange or the TSX Venture Exchange within 180 days of this closing, which is expected to assist in expanding its shareholder base in North America.

Pursuant to its US$40 million placement that was approved by shareholders at the Extraordinary General Meeting held on 29 May 2007 (the "Placement"), the Company issued today a total of 8,368,000 Special Warrants, raising approximately US$30 million. The remaining 2,789,000 Special Warrants will be issued, and the balance of approximately US$10 million will be received, by the Company as soon as possible but not later than 13 August 2007.

The issue of 2,789,000 Special Warrants to RAB Special Situations (Master) Funds Ltd ("RAB") will occur only upon Australian Foreign Investment Review Board ("FIRB") approval. Should FIRB not approve the issue of these Special Warrants, Transocean Group Holdings Pty Ltd (an entity related to Transocean Securities Pty Ltd – an Agent) will subscribe for the 2,789,000 Special Warrants, on similar terms, pursuant to an Underwriting Agreement with the Company. No amounts are payable in respect of the Underwriting Agreement other than reasonable legal costs and expenses incurred by Transocean Group Holdings Pty Ltd.

Completing the Placement in two parts will have no adverse affect on Gladstone's business plan.

John Downie, Chief Executive Officer of Gladstone, commented:

"The proceeds of the placing will underpin the significant progress being made by the Company, in particular facilitating further ore supply agreements which will ensure the long term substantial supply of high grade ore to the Project and also supporting the expenditures associated with completion of the Integrated Definitive Feasibility Study for the Project, due in the third quarter of 2007."

The Special Warrants are as described in the Explanatory Memorandum which accompanied the Notice of Meeting for the Extraordinary General Meeting held on 29 May 2007.
As explained in that Explanatory Memorandum the Company will use its commercial best-effort to obtain a listing on the Toronto Stock Exchange or the TSX Venture Exchange, within 180 days of this closing ("Listing Date").

Special Warrant holders, holding 3,793,130 Special Warrants, have already elected to convert them into Ordinary Shares listed on the AIM market and the Company has today allotted the same number of Ordinary Shares. Application has been made for 3,793,130 Ordinary Shares to be admitted to trading on AIM. The Shares rank pari passu with the Company's issued Ordinary Shares and are expected to trade on AIM from 8 June, 2007. As a result of this allotment the Company has 34,145,846 Ordinary Shares in issue.

Transocean Securities Pty Ltd and Research Capital Corporation acted as agents on the Placement and received a fee equal to 7% of the Placement and 780,990 Broker Special Warrants in consideration for their services. Each Broker Special Warrant represents a right to receive one Broker Option. Details of the Broker Options are set out in the Explanatory Memorandum which accompanied the Notice of Meeting for the Extraordinary General Meeting held on 29 May 2007 as augmented by the Company's letter to shareholders dated 18 May 2007.

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Note to Editors:

Gladstone Pacific Nickel Limited (GPNL) is an Australian mining development company presently undertaking an Integrated Definitive Feasibility Study (IDFS) for the Gladstone Nickel Project (GNP). 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 126,000 tpa nickel (8 -10% of global nickel demand) and 10,400 tpa of cobalt metal from its first two stages.