

news release

For immediate release:

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31 July 2007

GLADSTONE PACIFIC NICKEL LIMITED (ACN 104 261 887)

US\$40M Private Placement Complete

Gladstone Pacific Nickel (“the Company”) is pleased to announce the receipt of the final US\$10 million of its US\$40M Private Placement.

The Company has successfully completed its Private Placement, which was announced on 7 June, 2007, with the receipt of US\$10 million from RAB Special Situations (Master) Funds (“RAB”).

Australian Foreign Investment Review Board (“FIRB”) approval for the issue of 2,789,000 Special Warrants has been granted to RAB. RAB has elected to immediately convert its 2,789,000 Special Warrants into the same number of Ordinary Shares to be admitted to trading on AIM.

The directors of Gladstone Pacific Nickel Limited advise that the Company will allot 2,789,000 Ordinary Shares to RAB and an Application has been made for the same number of Ordinary Shares to be admitted to trading on AIM where dealings are expected to commence on 1 August, 2007. The new shares will rank pari passu with the Company's issued Ordinary Shares.

As a result of this allotment the Company will have 38,328,846 ordinary shares on issue.

The Company has made a successful application to obtain a listing on the Toronto Stock Exchange (“TSX”) to compliment the Company's AIM listing. Shares will begin trading on the TSX at opening of trading on the 31 July 2007.

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.

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This news release includes certain statements that may be deemed "forward-looking statements". All statements in this news release, other than statements of historical facts, that address future exploration drilling, exploration activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration success, continued availability of capital and financing, and general economic, market or business conditions.