

news release

DATE: 17 September 2007

GLADSTONE PACIFIC NICKEL LIMITED (ACN 104 261 887)
(“GPNL” or “the Company”)

**GNPL ACHIEVES ANOTHER KEY MILESTONE SECURING LAND FOR
THE GLADSTONE NICKEL PROJECT**

Gladstone Nickel Project Pty Ltd, a wholly-owned subsidiary of GPNL, has finalised an approximate A\$33 million Land Purchase Agreement (“Agreement”) with the Queensland Government’s Minister for Industrial Development which secures the land required for the Company’s proposed Gladstone Nickel Project.

The Agreement is conditional on the Company meeting several requirements including securing sufficient debt and equity to fund the Project’s development. A deposit of 5% of the total land value has been provided to the Vendor. This deposit is refundable if the conditions of the Contract have not been met.

The land comprises approximately:

- 200 hectares, secured for the proposed nickel refinery and associated facilities, and
- 1800 hectares, secured for residue storage requirements.

Both sites are located in the Gladstone State Development Area (GSDA). The GSDA was established as an initiative of the Queensland Government to secure a precinct with ready access to a deep water port to cater for large-scale, industrial development.

The combined land package provides sufficient area to support both Stages 1 and 2 in terms of residue disposal capacity, sufficient space for the proposed Stage 1 nickel refinery (60,000 tonnes of nickel per annum) and any future expansions to increase capacity as the nickel market dictates.

John Downie, GPNL’s CEO said: “Securing sufficient land for both Stages 1 and 2 of the Project is an important milestone for Gladstone Pacific Nickel Ltd. It provides us with a higher level of certainty and confidence in the future of the world-class nickel project we are developing in Queensland.”

“The Gladstone region brings some strategic benefits for our project including sufficient industrial land for development, and a history of support for other large projects associated with both the minerals and chemicals industries.”

For further information contact:

John Downie, Chief Executive Officer - Gladstone Pacific Nickel Ltd:

Tel: +61 7 3211 8899

Christopher Caldwell/ Joe Lunn - Insinger de Beaufort:

Tel: +44 207 190 7000

Simon Rothschild/Keith Irons - Bankside Consultants:

Tel: +44 207 367 8888

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.

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.