

news release

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GLADSTONE PACIFIC NICKEL LIMITED

(ACN 104 261 887)

GLADSTONE PACIFIC NICKEL SETS EXPLORATION TARGET OF 50 MILLION TONNES OF NICKEL LATERITE

This announcement supercedes the announcement made on 20 November 2007.

- DIAMOND DRILLING IN NEW CALEDONIA CONFIRMS HISTORIC DATA
- EXPLORATION TARGET SET AT 50 MILLION TONNES OF NICKEL LATERITE FOR 1.1 - 1.3 BILLION LBS (500,000 - 600,000 TONNES) OF NICKEL
- FURTHER 8,000 METRES OF DRILLING PLANNED FOR EARLY 2008

Gladstone Pacific Nickel Ltd (“GPNL” or “the Company”) is a dynamic company focused on the primary objective of owning and developing nickel laterite deposits in the South West Pacific Region, and producing refined nickel metal from its proposed high pressure acid leach plant at Gladstone, Australia. The Joint Venture and Acquisition Agreement with Société Minière Georges Montagnat (“SMGM”), announced on 20 August 2007, is one of the key pillars of the Company’s strategy to achieve ownership of nickel laterite ore for its Gladstone plant.

The Company has completed a diamond drill program on the nickel laterite tenements in New Caledonia that are included in GPNL’s agreement with SMGM. Prior to the proposed Joint Venture and Acquisition Agreement with SMGM, 160 drill holes were drilled for a total of 4,147 metres. The objective of the Company’s drill program was to substantiate the historical SMGM drill data by repeating some of the drilling and analysing the results in order to confirm the historical data. The twin drill program consisted of 19 drill holes for a total of 708 metres. The results of the twinned drill holes using a 0.8%Ni grade cut-off are shown in the table below.

Twinned Holes	From (metres)	To (metres)	Width (metres)	Nickel (%)	Cobalt (%)	Iron (%)
SGM5 02 twin	1	39	38.0	1.16	0.17	42.19
SGM5 10 twin	1	31	30.0	1.19	0.04	29.47
SGM5 13 twin	8	32	24.0	1.48	0.14	40.59
SGM5 28 twin	7	30	23.0	1.24	0.08	38.84
SGM5 30 twin	10	41	31.0	1.09	0.04	20.98

Twinned Holes	From (metres)	To (metres)	Width (metres)	Nickel (%)	Cobalt (%)	Iron (%)
SGM5 37 twin	8	31	22.7	1.35	0.07	29.12
SGM5 53 twin	2	29	26.7	1.22	0.12	41.28
SGM5 74 twin	1	28	27.4	1.00	0.13	37.62
SGM5 75 twin	5	35	30.3	1.42	0.13	37.25
SGM6 05 twin	10	23	13.3	1.24	0.18	48.03
SGM6 104 twin	7	27	20.0	1.31	0.14	41.82
SGM6 109 twin	1	31	30.0	1.36	0.05	28.26
SGM6 112 twin	8	45	37.0	1.44	0.10	28.86
SGM6 18 twin	0	34	33.8	1.27	0.16	49.16
SGM6 191 twin	6	41	35.3	1.18	0.11	36.68
SGM6 26 twin	3	36	33.0	1.36	0.07	31.90
SGM6 34 twin	4	51	47.0	1.43	0.14	36.28
SGM6 44 twin	1	39	38.0	1.24	0.15	44.24
SGM6 49 twin	2	30	28.4	1.11	0.18	50.57
Averages			29.94	1.27	0.12	37.18

The original drill holes with a similar cut-off grade are presented in the table below;

Original Holes	From (metres)	To (metres)	Width (metres)	Nickel (%)	Cobalt (%)	Iron (%)
SGM5 02	1	44.6	43.6	1.29	0.14	42.14
SGM5 10	3	32	29.0	1.36	0.04	39.11
SGM5 13	9	41	32.0	1.25	0.14	46.35
SGM5 28	6	29	23.0	1.23	0.10	28.56
SGM5 30	12	37	25.0	1.62	0.09	21.03
SGM5 37	5	34	29.0	1.34	0.07	41.01
SGM5 53	0	34	34.0	1.45	0.16	32.71
SGM5 74	5	32.2	27.2	1.08	0.24	39.66
SGM5 75	1	39	38.0	1.18	0.11	39.88
SGM6 05	9	32.7	23.7	1.15	0.14	37.63
SGM6 104	7	27	20.0	1.27	0.16	46.06
SGM6 109	1	20	19.0	1.38	0.06	47.22
SGM6 112	6	36	30.0	1.30	0.13	38.60
SGM6 18	1	33	32.0	1.25	0.17	40.86
SGM6 191	3.25	28	24.8	1.21	0.20	48.70
SGM6 26	1	32	31.0	1.37	0.10	44.05
SGM6 34	4	45	41.0	1.26	0.09	41.10
SGM6 44	1	35	34.0	1.32	0.12	52.13
SGM6 49	3	38	35.0	1.10	0.09	56.18
Averages			30.07	1.28	0.12	41.49

Samples were analysed by Ingemine laboratory (440 samples) in Noumea, New Caledonia and Ultra Trace (342 samples) in Perth, Western Australia. Check analysis performed on approximately every tenth sample, by ALS Chemex in Brisbane Australia, ensured the accuracy of the analysis conducted by Ingemine and Ultra Trace.

The twinned drill hole results are encouraging and confirm the historical drill data. A feature of the geology of the drilled area is its variability over short distances evidenced by some differences between the historical data and the twin hole information. This variability is a common characteristic of nickel laterite geology.

Based on the historical and twin drill hole information, the Company has set an exploration target of 50 million tonnes of laterite ore containing between 1.1 and 1.3 billion lbs (500,000 - 600,000 tonnes) of nickel and between 110 and 130 million lbs (50,000 - 60,000 tonnes) of cobalt. A drill program comprising approximately 8,000 metres to add to the existing drill results is planned to commence early in 2008.

Albert Mostert is the Qualified Person (as defined in NI 43-101) on the project.

The reader is cautioned that the potential quantity and grade of the Exploration Target described is conceptual in nature, that there has been insufficient control on historical data and exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. Until a feasibility study has been completed there is no certainty that the Company's projections will be economically viable.

Other points:

As announced on 20 August 2007 shareholder approval for the issue of shares, pursuant to the Joint Venture and Acquisition Agreement with SMGM, will be sought at the Company's Annual General Meeting to be held in Brisbane on 22 November 2007.

An error was made in the announcement dated 20th November 2007. In that announcement the quantity of nickel in the exploration target was stated as 1.1 – 1.3 million lbs. The correct quantity of nickel expected is 1.1 -1.3 billion tonnes as set out in this announcement.

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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.

Distributed on behalf of Gladstone Pacific Nickel Ltd by
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