

news release

For immediate release: 11 December 2007

GLADSTONE PACIFIC NICKEL LIMITED
(ACN 104 261 887)

BOARD RESTRUCTURE TO MAKE WAY FOR PROJECT CONSTRUCTION

Highlights

- Board restructured through the appointment of four new directors and the resignation of four directors.
- Mining Entrepreneur Professor Clive Palmer acquires 14.8% of the Company.
- Founding Directors sell substantial holdings to Professor Clive Palmer and to Transocean Securities Pty Ltd or its nominees.
- Shareholding purchased at approximately £1.65 per Ordinary Share (approximately 45% above the current market price).

Gladstone Pacific Nickel Limited ("GPN" or "the Company") is pleased to announce the restructure of its Board for the next stage of the company's development with the appointment of four new non executive directors and the resignation of four founding directors. This restructure follows the acquisition by Professor Clive Palmer of a 14.8% shareholding in the Company and the acquisition of a 6.1% shareholding in the Company by Transocean Securities Pty Ltd ("Transocean") or its nominees.

Professor Palmer and Transocean paid £1.65 per Ordinary share, which is approximately 45% above the Company's closing share price on Friday 7 December 2007. Professor Palmer stated, "I believe the share price of the company does not reflect the true value of the Company's Project and the potential profits which can be made from its development".

Board restructure

The non-executive Chairman Robert Pearce and directors Peter Matheson, Andrew Daley and Peter Watson have resigned from the Board.

Professor Clive Palmer, Mr Domenic Martino, Mr Benjamin Hill, and Mr Geoffrey Smith have been appointed in a non-executive capacity to join current Directors James Henderson and Managing Director, John Downie, on the GPN Board.

Professor Clive Palmer, aged 53, has also been appointed non-executive Chairman of the Board. He is recognised as one of Australia's' wealthiest citizens. The Australian publication Business Review Weekly ("BRW") ranked Professor Palmer as 32nd in its Rich 200 list in 2007 with a personal wealth of over A\$1 billion. He was the fastest new entrant to the BRW Rich 200 for 2007.

Professor Palmer, has over 25 years experience in the Australian resource industry, and is Chairman of Mineralogy Pty Ltd. ("Mineralogy"), a private Australian Company that has successfully concluded major transactions with a number of companies including the Chinese Government owned CITIC Pacific Limited (HK Listed), Australasian Resources Limited (ASX Listed) and a Memorandum of Understanding with Fortescue Metals Limited (ASX Listed). Mineralogy holds one of the world's major iron ore deposits in the Pilbara region of Western Australia.

CITIC Pacific Limited has commenced the development of a A\$4 billion project, funded by Chinese Government owned Banks, to export 24 million tonnes of iron ore annually from Western Australia.

The Board believes Professor Palmer's success with major projects will facilitate the fast track development of the Company's major project.

Domenic Martino, aged 51, is the Chairman of Australasian Resources Limited ("ARH"), an ASX listed Australian resource company. Under Mr Martino's Chairmanship the market capitalisation of ARH has increased from approximately A\$30 million to over A\$1 billion today. Mr Martino brings his successful record at ARH to the Board of the Company. He is active in the Australian resource industry and is or has been a Director of a number of Australian public companies. Mr Martino was Chief Executive Officer of Deloitte Touche Tohmatsu Australia for two years and was a partner with Deloitte Touche Tohmatsu and its predecessor firms from 1981 to 2003. He has a wealth of experience in mergers and acquisitions, initial public offerings and identifying and developing strategic opportunities.

Benjamin Hill, aged 32, is a qualified Lawyer having graduated in Law with Honours in 1997. He has been employed by RAB Capital Plc since its IPO in 2004 and works with Philip Richards on the RAB Special Situations (Master) Fund Limited, an absolute return fund that has approximately US\$2.2 Billion under management. The Special Situations Fund is GPN's largest Shareholder, holding approximately 41% of the Company.

Geoffrey Stephan Smith, aged 52, has 28 years experience as a lawyer and a senior partner in the prominent Queensland legal firm, Bell Legal Group. Mr Smith has extensive experience in commercial litigation, intellectual property and corporate work throughout his long career and has been a registered arbitrator for over ten years. He is also on the board of a number of community organisations in Gold Coast City including the Gold Coast Titans Community Foundation. Mr Smith retired as a principal of his legal practice to take up his appointment as Managing Director Legal in Mineralogy Pty Ltd.

Mr Martino stated:

"Gladstone Pacific Nickel Ltd has the potential to become a significant Nickel Producer. The Gladstone Nickel Project has made significant progress on the necessary approvals and has a secure nickel ore supply to ensure it can become a world class producer. I believe with the addition of Clive Palmer and his personal commitment to GPN, the Company is now poised to make the Project a reality."

Transocean Securities Pty Ltd ("Transocean") acted as the Corporate Advisors to Gladstone and introduced Mr Palmer to the company. Transocean an Australian based investment banking group is a company associated with Mr J. G. Henderson a Non Executive Director of Gladstone..

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Note to Editors:

Gladstone Pacific Nickel Limited 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.