

news release

For immediate release: 14 December 2007

GLADSTONE PACIFIC NICKEL LIMITED (“Gladstone” or “the Company”)

(ACN 104 261 887)

GLADSTONE TARGETS CHINA FOR GROWTH AND PROJECT DEVELOPMENT

The new chairman of Gladstone Pacific Nickel Limited (“Gladstone”) Professor Clive Palmer is currently in China supported by the Managing Director of the Company Mr John Downie and another executive of the Company, negotiating with Chinese State owned companies the development of Gladstone’s Nickel Project.

“Gladstone is seeking to formalise a strategic relationship with state owned companies for the development of Gladstone’s Nickel Project” Mr Palmer stated and went on to say “In essence Gladstone is seeking confirmation from Chinese groups of the following:

1. a turn-key EPC contract for the construction of the Gladstone Nickel Project with suitable Chinese construction groups,
2. access to Chinese project funding,
3. access to long term sales arrangements for the Gladstone’s proposed output of Nickel, and
4. possible participation by Chinese state owned companies in Gladstone share capital.”

Gladstone’s Gavin Becker and John Downie have been involved in technical presentations in meetings with Chinese companies during the current week. The Gladstone team will return to Australia and begin reviewing the results of the China initiative next week and will embark on positive planning for the Project in 2008.

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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.

Disclaimer:

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.