

15 February 2008

**GLADSTONE PACIFIC NICKEL LIMITED**  
**ACN (104 261 887)**

**ISSUE OF SHARES**

Gladstone Pacific Nickel Limited ("Gladstone") announces that on 8 February 2008 it was agreed that 380,750 Ordinary Shares of no par value in the Company will be issued to Transocean Group Pty Ltd ("Transocean"), a related party of Director Mr James Gilbert Henderson. The shares are issued to Transocean as a success fee in relation to Transocean's role as Corporate Advisor to Gladstone, assisting with identifying funding for the Gladstone Nickel Project, and is payable as a result of the signing of Memorandum of Understanding as announced on 30 January 2008.

Under a prior agreement between Mr Henderson and Director Mr Domenic Martino, it was agreed that half the shares which Transocean would be entitled to under the above agreement would be given to Impact Nominees Pty Ltd as Trustee for the Sydney Investment Trust ("Impact Nominees"), a related party to Director Mr Domenic Martino. Therefore, Impact Nominees will hold 190,375 Ordinary Shares of no par value and Transocean will hold 190,375 Ordinary Shares of no par value.

Application has been made for the new shares to be admitted to trading on AIM and this is expected to take place on 21 February 2008.

Upon conclusion of these transactions Director Mr Henderson and his associated entities will hold or have agreed to acquire a total of 2,690,375 Ordinary Shares being 6.36% of the Company's ordinary share capital; and Director Mr Martino and his associated entities will hold 190,375 Ordinary Shares being 0.45% of the Company's ordinary share capital. The total number of Ordinary Shares issued is 42,290,466.

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