



GLADSTONE PACIFIC NICKEL LTD

22 July 2008

**GLADSTONE PACIFIC NICKEL LIMITED (ACN 104 261 887)**  
**("GPNL" or "the Company")**

**GPNL FINALISES SHARES TO BE ISSUED TO JOINT VENTURE PARTNER**

GPNL is pleased to announce an amendment to its agreement with Société Minière Georges Montagnat ("SMGM") and its shareholders, with whom GPNL have agreed to establish an incorporated mining joint venture ("JV") in New Caledonia, as announced on 20 August 2007. The JV Company has been incorporated and has obtained approval for exploration of the tenement area covered by the JV. An extensive drilling campaign commenced in February 2008 to confirm the resource potential to JORC standards.

Under the original agreement, approved by the Company's shareholders on 22 November 2007, GPNL had agreed to issue approximately 12 million shares to the SMGM shareholders, in August 2010. The exact number of shares was to be determined using a formula based on the GPNL share price at the time of issue of the shares. GPNL has now agreed to issue a fixed 15 million shares to SMGM in August 2010, as an amendment to this agreement. All other conditions of the SMGM agreement remain unchanged.

John Downie, GPNL CEO said, "Fixing the number of shares to be issued gives GPNL certainty as to how many shares may be issued in the future and enables other transactions to be entered into in progressing the funding of its Gladstone Nickel Project. Fixing the number of shares avoids the possibility of a higher number of shares being required to be issued under the original formula and also gives the shareholders in SMGM certainty over their interest in GPNL"

Following the finalisation of certain administrative matters, GPNL will acquire an initial 1% shareholding in the JV entity and the right to appoint half the JV Company's directors. In return the shareholders of SMGM will be offered a seat on the GPNL board.

The issue of the fixed 15 million GPNL shares, in August 2010, will be consideration for the purchase of an additional 48% interest in the JV entity taking GPNL's interest in the JV entity, at that time, to 49%.

*Enquiries to:*

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