



GLADSTONE PACIFIC NICKEL LTD

15th December 2008

Gladstone Pacific Nickel Limited

ACN 104 261 887

(the "Company" or "GPNL")

GPNL and RDI – Update regarding Merger

The Company today announces that discussions and activities with Resource Development International Ltd ("RDI") regarding a merger of the two companies, as announced on 8 August 2008 are continuing in a positive and proactive manner. RDI is a company controlled by Mr Clive Palmer, the previous chairman of GPNL and of which Mr Domenic Martino, a current director of GPNL, is a director.

GPNL understands that RDI is currently advancing its application for a listing on the Hong Kong Stock Exchange ("HKSE") and is in the process of finalising all relevant legal and regulatory documentation, including the preparation of a Prospectus.

Upon completion of the Prospectus, the Company and its advisors will receive necessary information to enable finalisation of a Scheme Booklet for lodgement with Australian Securities and Investments Commission ("ASIC") and the Federal Court of Australia. The Scheme Booklet will be distributed to Shareholders following Court approval and will include information regarding a shareholder meeting.

Further information and timing regarding the merger will be provided to shareholders when such information is received from RDI.

At the General Meeting held on 14 August 2008, shareholders approved the introduction of an alternative event to trigger Dasines Pty Ltd's (a 100% owned entity of Mr Clive Palmer) entitlement to a 25% interest in GPNL's subsidiary, Marlborough Nickel Pty Ltd ("MNPL"). This possible alternative event being the making of an unconditional takeover bid or the completion of a takeover via a scheme of arrangement by RDI at a minimum price of £2.20 on or before 31 December 2008, or a date up to 90 days later at GPNL's discretion.

The board of GPNL has today agreed to extend the date for achievement of the alternative event from 31 December 2008 to 31 March 2009.

For further information please contact:

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