



GLADSTONE PACIFIC NICKEL LTD

16th January 2009

Gladstone Pacific Nickel Limited
ACN 104 261 887
("GPNL" or the "Company")

Environmental Approval for Gladstone Nickel Project

The Queensland State Government has approved the Environmental Impact Statement ("EIS") for construction and operation of Stages 1 and 2 of the Company's Gladstone Nickel Project ("GNP").

"This approval marks a significant milestone in the development of our Project and is the product of three years dedication to a rigorous and challenging environmental process" said Mr. John Downie CEO of the Company.

The Queensland Governments Coordinator-General Colin Jensen said, "The Gladstone Nickel Project has been subjected to a rigorous and technically complex EIS. Gladstone Pacific Nickel spent three years working through the EIS and addressing potential impacts of its proposed high-pressure acid leach refinery."

Mr. Downie went on to say, "Following the approval of the EIS by the Queensland Government the Federal Government will assess the Project under federal legislation concerning matters of national environmental significance. The Company has been in regular consultation with the Federal Government in relation to those matters and I believe that we will meet all Federal requirements."

In addition to complying with the strict requirements of its environmental license the GNP will demonstrate environmental leadership through its use of best practice air emissions and process water treatment technology and the continued search for environmental synergies with alumina producers in the region.

As further evidence of the Company's environmental intentions, GPNL has agreed to provide up to A\$5 million at each stage of the Project to support any project which can reduce sulphur dioxide levels in the Gladstone air shed by 5,000-10,000 tonnes a year.

GPNL will also establish the Gladstone Social Impact Mitigation Fund ("the Fund") to mitigate potential impacts of the GNP on the community during the Project construction and operational phases. Following an initial outlay of A\$9 million over the 3 years of construction activity to establish the Fund, the Company has agreed to further annual contributions of A\$500,000 in each year that the nickel plant meets profitability targets.

"GPNL has demonstrated its industry leadership and commitment to the Gladstone community with the development of the Social Impact Mitigation Fund. We hope, and would encourage, other Gladstone industry participants to contribute to the Fund so that industry can assist in mitigating its social impacts in the region" said Mr. Downie.

Stage 1 of the GNP, in the Yarwun Precinct of the Gladstone State Development Area (GSDA), will have the capacity to produce 63,000 tonnes of nickel, 6,000 tonnes of cobalt and around 175,000 tonnes of ammonium sulphate a year, with production likely to commence late in 2012.

The Project is expected to create up to 2,600 construction jobs for stage 1 (2,000 of which will be in Gladstone) and 1,750 for the second stage. Around 530 Gladstone-based operational jobs will be created when production starts, with additional employees being required at the GNP's laterite mines at Marlborough and Ouinné in New Caledonia.

For further information please contact:

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