



GLADSTONE PACIFIC NICKEL LTD

12th February 2009

Gladstone Pacific Nickel Limited

ACN 104 261 887

Gladstone Pacific Nickel Limited Completes First Phase of Ouinné Drilling Program

Background

Gladstone Pacific Nickel Limited (“GPNL”, the “Company”), as previously announced on 20th August 2007, entered into a joint venture (“JV”) arrangement with Société Minière Georges Montagnat (“SMGM”) on the Ouinné nickel-cobalt laterite project in New Caledonia. GPNL has the right to purchase a 49% interest in the JV.

The Ouinné Project mineral concessions total 2,127 Ha and lie within the South Province of New Caledonia. Additional project lands comprise 3 sets of PRAs (exploration permits) totalling 894.9 Ha which adjoin the above-mentioned mineral concessions. The concessions are ideally located close to the coast with deep water access available within 100 metres of the shore line and also positioned close to existing housing and airport infrastructure.

It is the intention of GPNL that a mining operation will be established at Ouinné which will provide a secure source of nickel-cobalt laterite feed to the Company’s refinery at Yarwun, near Gladstone in Queensland.

Ouinné Drilling Program

After an initial short program of due diligence drilling in 2007, GPNL and partner SMGM jointly undertook a comprehensive 12-month drilling program designed to confirm and extend the mineralisation outlined by historical drilling results.

In 2008, GPNL and SMGM completed 265 holes for 6,387 metres. The results of this work confirm the geological continuity of the mineralised deposits over an area of approximately 273 hectares on the SGM 5 and SGM 6 mineral concessions. Compilation and interpretation of all the geological, geotechnical and geochemical data is proceeding according to plan.

Drilling of the Ouinné deposits revealed consistent, thick intersections of nickel-cobalt laterite. 88% of GPNL holes intersected mineralised laterite¹ and the average thickness of mineralised laterite exceeds 15 metres. When mined and screened, this material will produce an ideal direct-shipping feed for the GPNL Gladstone plant. The 8 holes in the following table are randomly selected from the database and are thus reasonably representative of the results from the GPNL 2008 drilling campaign.

Hole ID	Thickness m	Ni %	Co %	Fe %	Mg %	From m	To m
SGM5-312	13.0	1.17	0.23	41.9	4.1	7.0	20.0
SGM5-409	22.0	1.01	0.10	40.8	1.2	1.0	23.0
SGM5-453	18.0	1.45	0.16	39.2	4.8	5.0	23.0
SGM5-475	13.0	1.28	0.11	28.1	10.0	1.0	14.0
SGM5-496	5.0	1.51	0.20	33.8	7.0	11.0	16.0
SGM6-311	4.7	1.01	0.14	35.7	7.1	10.2	14.4
SGM6-325B	15.0	1.35	0.32	48.3	0.6	1.0	16.0
SGM6-421	28.0	1.68	0.19	42.9	2.1	5.0	33.0

Ongoing Drilling Quinné Work Program

Geological mapping and literature research into historical drilling programs has identified significant exploration targets within the JV mineral concessions. The JV's is continuing its evaluation of these areas.

GPNL and SMGM are now working towards a maiden mineral resource estimate for Quinné and it is anticipated that this will be completed during 2009.

For further information please contact:

John Downie, CEO - Gladstone Pacific Nickel Ltd
 Fiona Owen - Grant Thornton UK LLP
 John Prior – Arbutnot Securities

Tel: +61 (0) 7 3231 7100
 Tel: +44 207 383 5100
 Tel: +44 207 012 2000

Disclaimer

Geological information in this announcement and comments relating to exploration potential and the project in general is based on information compiled by Mr John Levings. Mr. Levings is the geology manager of GPNL and a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the JORC Code. He consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear.

Statements in this document that are forward-looking and involve numerous risks and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. Actual results may differ materially from expected results.

There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate, (iii) the Company's analysis is correct or (iv) the Company's strategy, which is based in part on this analysis, will be successful.

¹ Mineralised laterite is defined as at least 1 metres thickness with a nickel plus cobalt grade exceeding 1%