



GLADSTONE PACIFIC NICKEL LTD

7 May 2009

Gladstone Pacific Nickel Limited

ACN 104 261 887

("GPNL" or the "Company")

Environmental Approval by the Federal Government for Gladstone Nickel Project

Further to the announcement on 16 January 2009, the Company announced that the Federal Government of Australia has approved the Environmental Impact Statement ("EIS") for construction and operation of Stages 1 and 2 of the Company's Gladstone Nickel Project ("GNP").

"Along with the Queensland Government approval in January this year this approval marks a significant milestone in the development of our Project and is the product of over three years efforts to achieve a positive outcome to a rigorous and challenging environmental process" said Mr. John Downie, CEO of the Company.

Mr. Downie went on to say, "Following the approval of the EIS by the Queensland Government the Federal Government assessed the Project under federal legislation concerning matters of national environmental significance. This included an assessment of the potential effects of the project on the Great Barrier Reef and important migratory species. Their approval means that another important project development foundation is in place, and we can now focus on securing funding for our Project".

The GNP will demonstrate environmental leadership through its use of best practice air emissions and process water treatment technology and the continued investigation of environmental synergies with other industrial facilities (especially alumina producers) in the Gladstone region.

Stage 1 of the GNP, in the Yarwun Precinct of the Gladstone State Development Area, 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 GPNL's laterite mines at Marlborough in Australia and Ouinné in New Caledonia.

*For further information please contact:*

John Downie, CEO - Gladstone Pacific Nickel Ltd Tel: +61 (0) 7 3231 7100

Fiona Owen - Grant Thornton UK LLP Tel: +44 207 383 5100

John Prior – Arbuthnot Securities Tel: +44 207 012 2000