



GLADSTONE PACIFIC NICKEL LTD

12 August 2010

GLADSTONE PACIFIC NICKEL LIMITED
(ACN 104 261 887)

Takeover Proposal

Gladstone Pacific Nickel Limited ("GPNL" or the "Company") announces today that it has received a letter from Queensland Nickel Resources Pty Ltd ("QNR") advising that it will make an unconditional cash offer for all the ordinary shares in GPNL it does not already own.

The Board recommends that shareholders take **no action** in relation to the offer until such time as a bidder's statement and a target statement have been prepared in accordance with Corporations Act 2001 (Cth) ("Act") and have been sent to shareholders.

Under the terms of the unconditional cash offer, shareholders will receive £0.14 per ordinary share which values the entire issued and paid up capital of the Company at £9,930,998.

QNR is a wholly owned subsidiary of Mr Clive Palmer and it owns 50.04% of the ordinary shares of the Company. QNR and Mr Clive Palmer are considered related parties in accordance with the AIM rules.

An Independent Board Committee will be established in order to evaluate the offer from QNR.

The Act provides for legislated steps and timing that a bidder and target must adhere to in the event of an off-market bid (GPNL believes the bid will be an off-market bid) of this nature. The actual timetable will depend on when QNR lodges its bidder's statement with the Australian Securities and Investments Commission, which must occur so that the offers can be made within 2 months of today. GPNL understands that QNR is seeking to prepare and lodge its bidder's statement as soon as possible.

The key steps are set out below:

No	Step	Act Requirement
1	The Bidder lodges the bidders statement and offer Document with the Australian Securities and Investments Commission	
2	The bidder sends a copy of the bidders statement and offer document to the target	Within 21 days of No 1 above
3	Bidder sends the bidders statement and offer document to shareholders	Within 14-28 days after No 2 above
4	The target sends the target statement to shareholders	Within 15 days after No 3 above
5	Period within which acceptances of the offer may be lodged by shareholders	A minimum of 1 month after No 2 above (but may be longer or extended)

The statutory timing provided above may vary by agreement of the parties and therefore may vary substantially from that provided.

Mr Palmer stated that “the purpose of the takeover of GPNL was to effect the delisting of all remaining GPNL shares from the alternative investment market of the London Stock Exchange and returning the Company to a private company status.”

GPNL will keep its shareholders informed and will make further announcements as and when material developments occur.

For more information or comment:

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Gladstone Pacific Nickel Limited is an Australian mining development company presently undertaking an Integrated Definitive Feasibility Study for the Gladstone Nickel Project. The Company's vision is to build a major long-life nickel cobalt refinery at the deepwater Port of Gladstone, in Central Queensland, Australia, treating abundant high grade nickel laterite ores from New Caledonia and other south-west Pacific islands, underpinned by beneficiated ores from its own Marlborough deposits. The Project has the potential to be one of the largest of its type in the world producing some 126,000 tpa nickel (8 - 10% of global nickel demand) and 10,400 tpa of cobalt metal from its first two stages.