



HIGHLANDS PACIFIC LIMITED ARBN 078 118 653
Incorporated in Papua New Guinea

Registered Office

PO Box 1486, Port Moresby NCD 121
Papua New Guinea
Level 9 Pacific Place, Musgrave Street
Port Moresby NCD 121
Papua New Guinea

Telephone: (675) **321 7633**

Facsimile: (675) 321 7551

Website: www.highlandspacific.com

Registered Office in Australia

GPO Box 3086, Brisbane QLD 4001
Australia
Level 4, 167 Eagle Street
Brisbane Qld 4000
Australia

Telephone: (617) **3239 7800**

Facsimile: (617) 3221 6727

Email: info@highlandspacific.com

14 May 2007

APPOINTMENT OF JOHN GOODING AS MANAGING DIRECTOR

Highlands Pacific Limited (Highlands) advises that Mr John Gooding has been appointed Managing Director, succeeding Mr Ian Holzberger, who will be taking early retirement.

Mr Gooding will take up duties on 21 May 2007, at which time Mr Holzberger's retirement will become effective.

By way of background, Mr Gooding is a very experienced mining engineer who has served in senior management positions in both underground and open pit mining operations. This includes PNG experience through contract work with Ok Tedi.

Chairman Bob Bryan said that as Highlands makes the transition from mineral explorer to miner, the skills that Mr Gooding can bring to bear will be of real value. This will particularly be the case at the Kainantu Gold Mine, where the Company has been experiencing production ramp-up problems.

The Chairman noted that Mr Holzberger had served Highlands in the capacity of Managing Director since its public listing in 1997. "Highlands expresses its thanks to Mr Holzberger for his commitment and dedication throughout that time, and wishes him well in his future endeavours."

The Chairman emphasised that the appointment of Mr Gooding was the first step in a major management shake-up which will also involve the appointment of a new General Manager at Kainantu as well as other key positions.

"The first task of the new management team will be to thoroughly review the mine plan at Kainantu, and to develop a reliable schedule of gold production going forward." The Chairman asked for some patience, noting "major changes in mine performance cannot be effected overnight".

"However, it is important that the investing public and in particular Highlands' shareholders, be aware that the Board of Highlands is determined to turn around this underperforming asset. Bringing the performance of the Kainantu Mine back on track as soon as possible is the key priority of the Company", the Chairman said.

For further information contact Highlands Pacific's Chairman, Mr Bob Bryan (ph. 07 3239 7823)

