



HIGHLANDS PACIFIC LIMITED ARBN 078 118 653
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BANKING SYNDICATE SUPPORTS HIGHLANDS NEW MANAGEMENT TEAM

Subsequent to the release of its quarterly report on 27 July 2007, Highlands Pacific Ltd (ASX: HIG) can advise that its Banking Syndicate has demonstrated a continued support for the project by agreeing to defer obligations as detailed below.

Highlands' Managing Director John Gooding said "this agreement is a show of support for the new management team appointed at the Kainantu gold mine and will allow them to concentrate solely on addressing and improving on the current production issues at the mine.

"The Bank Syndicate, consisting of ABN Amro, Societe Generale and RMB Resources Limited, have a long association with Highlands and this initiative further strengthens the relationship while underpinning the Kainantu operation," Mr Gooding added.

The agreement covers the following:

- deferral of the August 2007 and November 2007 principal repayments, being USD2.5 million each; and
- the rolling of the September 2007 and December 2007 forward sales contracts, totalling 29,539 ounces, to February 2008.

The combination has the effect of providing Highlands with working capital of approximately USD12 million that was previously consumed by financing commitments, and allows the Company to accrue all gold production over the next two quarters at the prevailing spot gold price.

The new management team now in place will focus on lifting gold production at Kainantu through the adoption of a new mine plan, and lifting processing and metallurgical performance going forward.

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