



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

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COMPLETION OF SALE OF KAINANTU MINE AND SURROUNDING EXPLORATION LICENCES TO BARRICK GOLD CORPORATION

Highlands Pacific Ltd (Highlands) is pleased to announce that the sale of the Kainantu Gold Mine and surrounding Exploration Licences to Barrick Gold Corporation was completed on 11 December 2007.

The proceeds from the sale will be immediately used to pay down the debt from loans and out of the money gold hedging facilities totalling USD113 million. The balance of the USD134.5million received today will be invested, with a second tranche of USD7million expected within the next month when the transfer of two additional EL's is completed. The end result for Highlands will be cash reserves of approximately USD30million and no debt on its books.

Highland's Managing Director, Mr John Gooding said that the sale provided the Company with a platform for growth without the drama of an increasing debt burden at Kainantu. "Highlands' equity in the world-class Frieda River Copper-Gold Project and in the Ramu Nickel-Cobalt Project will underpin an exciting future going forward; while the Company's Exploration Licences in the highly prospective Wau gold district will offer exciting upside. Wau will be a priority target for exploratory drilling in 2008", Mr Gooding said.

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