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## FRIEDA RIVER DRILLING RESULTS

**294 metres @ 0.73% Cu and 0.48 g/t Au from 14 metres**

Highlands Pacific (ASX: HIG) is pleased to announce the release of the results of the current drilling program at the Frieda River Project. The holes being reported are part of an infill drilling program at the Horse-Ivaal-Trukai Copper Gold porphyry deposit. The aim of the current program is to lift resource estimation confidence so that the bulk of the resource is in the Indicated category or better by late 2010.

The significant intersections at a 0.2% Cu lower cutoff include:

Hole 177XC08- 265 metres @ 0.64% Cu and 0.08 g/t gold from 40 metres down hole

Hole 183XC08- 202 metres @ 0.81% Cu and 0.19 g/t gold from 30 metres down hole

Hole 190XC08- 192 metres @ 0.88% Cu and 0.90 g/t gold from 56 metres down hole and

Hole 193XC08- 294 meter @ 0.73% Cu and 0.48 g/t gold from 14 metres down hole

While these holes are all within the known extent of the Horse/Ivaal/Trukai deposit, the results clearly demonstrate the world-class nature of this Cu-Au porphyry system.

Since further drilling commenced in early 2008, 29,307 metres of diamond drilling has now been completed up until the end of February 2009 with seven drilling rigs operating on site at present. A total of 35,000 metres of drilling is planned for the 2009 year as part of the Pre Feasibility Study phase of the project.

"The size and quality of the results from the drilling continues to reward the commitment by the Joint Venture partners to advance the study of this world class copper gold project" said John Gooding, Highlands Pacific Managing Director. He said that the project had the potential to be PNG's next major copper and gold mine and that the mine, which has a life of at least 26 years, would be a major contributor to PNG's economy and future.

The tabulated results below show intercepts at a 0.2% Cu cut-off and higher grade portions at 0.5% cut-off. Maximum internal dilution in the zones quoted below is 6m.

*Notes:*

*The following statements apply to the Horse/Ivaal/Trukai exploration results:*

- *Mineralised intersections are quoted as down hole widths. The porphyry mineralisation occurs as disseminations and vein stockworks.*
- *Collar locations are in UTM Zone 54 co-ordinates using the AGD66 horizontal datum.*
- *Drill core is PQ, HQ or NQ size.*
- *Assays were carried out on half sawn core. The half core is crushed and pulverized to ~ 180 mesh on site. 200 gram samples are despatched for assay. QAQC control samples make up approximately 10% of each batch sent for analysis. The unused half core is stored on site.*

- Samples were analysed at ALS-Chemex in Townsville. Gold is by 50g fire assay and copper by ICP-AES on an aqua regia digest. Samples assaying greater than 0.5% Cu are re-assayed using an ore grade method suitable for higher grade samples.
- Hole positions are based on surveys of the drill pad. Actual collars are within 10m of stated locations.
- The exploration results reported here are based on information compiled by Mr L.D. Queen who is a member of the Australian Institute of Mining and Metallurgy, and who is employed by Highlands Pacific Limited. Mr Queen has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2004 Edition". He consents to the inclusion in the report of the matters based on the information compiled by him in the form and context in which it appears.

| Hole    | North   | East   | Level | Azimuth | Dip |
|---------|---------|--------|-------|---------|-----|
| 177XC08 | 9480457 | 583668 | 754   | 30      | -60 |
| 178XC08 | 9480292 | 584708 | 606   | 210     | -50 |
| 179XC08 | 9479793 | 585796 | 546   | 260     | -55 |
| 180XC08 | 9480169 | 585480 | 582   | 326     | -55 |
| 181XC08 | 9480131 | 585742 | 500   | 210     | -53 |
| 182XC08 | 9480267 | 585208 | 549   | 210     | -55 |
| 183XC08 | 9480305 | 584371 | 677   | 210     | -50 |
| 184XC08 | 9479898 | 585771 | 592   | 80      | -70 |
| 185XC08 | 9480277 | 584660 | 615   | 300     | -55 |
| 186XC08 | 9480393 | 583921 | 745   | 210     | -65 |
| 187XC08 | 9480533 | 584497 | 626   | 210     | -55 |
| 188XC08 | 9480064 | 585268 | 578   | 210     | -50 |
| 189XC08 | 9480113 | 585125 | 553   | 210     | -53 |
| 190XC08 | 9480393 | 583921 | 745   | 210     | -65 |
| 191XC08 | 9480263 | 585285 | 537   | 210     | -65 |
| 192XC08 | 9480128 | 585304 | 545   | 210     | -55 |
| 193XC08 | 9480335 | 584903 | 578   | 210     | -55 |
| 194XC08 | 9480460 | 584714 | 600   | 210     | -60 |
| 195XC08 | 9480399 | 585006 | 561   | 210     | -60 |
| 196XC08 | 9480395 | 584851 | 580   | 210     | -55 |

| Hole  | From       | To         | Meters     | Cu (%)      | Au (ppm)    | Recovery % |
|---|------------|------------|------------|-------------|-------------|------------|
| <b>177XC08</b>  | <b>44</b>  | <b>309</b> | <b>265</b> | <b>0.64</b> | <b>0.08</b> | <b>82</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |            |            |             |             |            |
|   | 52         | 170        | 118        | 0.81        | 0.11        | 70         |
|   | 180        | 248        | 68         | 0.72        | 0.07        | 90         |
|   | 258        | 260        | 2          | 0.51        | 0.10        | 75         |
|   | 308        | 309        | 1          | 0.50        | 0.08        | 50         |
| <b>180XC08</b>  | <b>56</b>  | <b>62</b>  | <b>6</b>   | <b>0.41</b> | <b>0.22</b> | <b>73</b>  |
|   | <b>72</b>  | <b>136</b> | <b>64</b>  | <b>0.62</b> | <b>0.13</b> | <b>89</b>  |
|   | <b>144</b> | <b>188</b> | <b>44</b>  | <b>0.29</b> | <b>0.13</b> | <b>69</b>  |
|   | <b>198</b> | <b>292</b> | <b>94</b>  | <b>0.33</b> | <b>0.14</b> | <b>63</b>  |
|   | <b>312</b> | <b>314</b> | <b>2</b>   | <b>0.26</b> | <b>0.17</b> | <b>100</b> |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |            |            |             |             |            |
|   | 58         | 60         | 2          | 0.63        | 0.13        | 65         |
|   | 82         | 118        | 36         | 0.90        | 0.15        | 94         |
|   | 164        | 168        | 4          | 0.55        | 0.20        | 42         |

|   |            |              |              |             |             |            |
|---|------------|--------------|--------------|-------------|-------------|------------|
|   | 208        | 210          | 2            | 0.53        | 0.21        | 63         |
|   | 228        | 238          | 10           | 0.54        | 0.25        | 38         |
|   | 266        | 274.2        | 8.2          | 0.56        | 0.22        | 54         |
|   |            |              |              |             |             |            |
| <b>181XC08</b>  | <b>28</b>  | <b>40</b>    | <b>12</b>    | <b>0.28</b> | <b>0.04</b> | <b>100</b> |
|   | <b>162</b> | <b>352.4</b> | <b>190.4</b> | <b>0.51</b> | <b>0.28</b> | <b>95</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 190        | 192          | 2            | 0.64        | 0.15        | 100        |
|   | 204        | 226          | 22           | 0.71        | 0.19        | 85         |
|   | 240        | 246          | 6            | 0.67        | 0.24        | 83         |
|   | 256        | 258          | 2            | 0.79        | 0.31        | 100        |
|   | 268        | 300          | 32           | 0.73        | 0.39        | 100        |
|   | 314        | 352.4        | 38.4         | 0.62        | 0.62        | 99         |
|   |            |              |              |             |             |            |
| <b>182XC08</b>  | <b>130</b> | <b>140</b>   | <b>10</b>    | <b>0.13</b> | <b>0.04</b> | <b>79</b>  |
|   | <b>178</b> | <b>200</b>   | <b>22</b>    | <b>0.58</b> | <b>0.49</b> | <b>93</b>  |
|   | <b>234</b> | <b>240</b>   | <b>6</b>     | <b>0.18</b> | <b>0.17</b> | <b>98</b>  |
|   | <b>270</b> | <b>378</b>   | <b>108</b>   | <b>0.41</b> | <b>0.31</b> | <b>99</b>  |
|   | <b>402</b> | <b>468</b>   | <b>66</b>    | <b>0.29</b> | <b>0.28</b> | <b>99</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 180        | 194          | 14           | 0.76        | 0.68        | 89         |
|   | 270        | 286          | 16           | 0.54        | 0.46        | 99         |
|   | 296        | 324          | 28           | 0.44        | 0.27        | 100        |
|   | 332        | 334          | 2            | 0.58        | 0.54        | 100        |
|   | 356        | 370          | 14           | 0.48        | 0.48        | 99         |
|   | 408        | 410          | 2            | 0.51        | 0.54        | 97         |
|   | 424        | 426          | 2            | 0.51        | 0.53        | 100        |
| <b>183XC08</b>  | <b>30</b>  | <b>232</b>   | <b>202</b>   | <b>0.81</b> | <b>0.19</b> | <b>88</b>  |
|   | <b>240</b> | <b>256</b>   | <b>16</b>    | <b>0.45</b> | <b>0.23</b> | <b>96</b>  |
|   | <b>266</b> | <b>270</b>   | <b>4</b>     | <b>0.33</b> | <b>0.20</b> | <b>95</b>  |
|   | <b>278</b> | <b>280</b>   | <b>2</b>     | <b>0.28</b> | <b>0.14</b> | <b>100</b> |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 36         | 202          | 166          | 0.92        | 0.19        | 87         |
|   | 222        | 228          | 6            | 0.69        | 0.37        | 92         |
|   | 242        | 252          | 10           | 0.48        | 0.25        | 96         |
|   |            |              |              |             |             |            |
| <b>185XC08</b>  | <b>6</b>   | <b>40</b>    | <b>34</b>    | <b>0.42</b> | <b>0.32</b> | <b>89</b>  |
|   | <b>52</b>  | <b>278</b>   | <b>226</b>   | <b>0.49</b> | <b>0.27</b> | <b>95</b>  |
|   | <b>286</b> | <b>438</b>   | <b>152</b>   | <b>0.48</b> | <b>0.29</b> | <b>93</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 6          | 20           | 14           | 0.67        | 0.43        | 85         |
|   | 56         | 58           | 2            | 0.60        | 0.36        | 100        |
|   | 66         | 158          | 92           | 0.68        | 0.37        | 91         |
|   | 170        | 194          | 24           | 0.57        | 0.29        | 92         |
|   | 232        | 236          | 4            | 0.78        | 0.54        | 95         |
|   | 298        | 300          | 2            | 0.90        | 0.29        | 100        |
|   | 322        | 340          | 18           | 0.56        | 0.19        | 99         |
|   | 358        | 412          | 54           | 0.55        | 0.42        | 97         |
|   | 420        | 438          | 18           | 67.00       | 0.40        | 65         |
|   |            |              |              |             |             |            |
| <b>187XC08</b>  | <b>36</b>  | <b>285.8</b> | <b>249.8</b> | <b>0.62</b> | <b>0.49</b> | <b>86</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 36         | 156          | 120          | 0.67        | 0.67        | 89         |
|   | 168        | 256          | 88           | 0.69        | 0.40        | 82         |

|   |            |              |             |             |             |            |
|---|------------|--------------|-------------|-------------|-------------|------------|
| <b>188XC08</b>  | <b>12</b>  | <b>48</b>    | <b>36</b>   | <b>0.43</b> | <b>0.20</b> | <b>87</b>  |
|   | <b>56</b>  | <b>84</b>    | <b>28</b>   | <b>0.21</b> | <b>0.07</b> | <b>83</b>  |
|   | <b>112</b> | <b>124</b>   | <b>12</b>   | <b>0.20</b> | <b>0.18</b> | <b>82</b>  |
|   | <b>160</b> | <b>164</b>   | <b>4</b>    | <b>0.54</b> | <b>0.37</b> | <b>94</b>  |
|   | <b>174</b> | <b>312</b>   | <b>138</b>  | <b>0.38</b> | <b>0.32</b> | <b>93</b>  |
|   | <b>324</b> | <b>326</b>   | <b>2</b>    | <b>0.35</b> | <b>0.56</b> | <b>100</b> |
|   | <b>344</b> | <b>370</b>   | <b>26</b>   | <b>0.20</b> | <b>0.10</b> | <b>99</b>  |
|   | <b>386</b> | <b>445</b>   | <b>59</b>   | <b>0.48</b> | <b>0.12</b> | <b>99</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |             |             |             |            |
|   | 38         | 46           | 8           | 1.00        | 0.16        | 94         |
|   | 162        | 164          | 2           | 0.64        | 0.54        | 93         |
|   | 176        | 198          | 22          | 0.47        | 0.29        | 76         |
|   | 212        | 218          | 6           | 0.50        | 0.28        | 96         |
|   | 232        | 234          | 2           | 0.58        | 0.48        | 95         |
|   | 244        | 250          | 6           | 0.64        | 0.48        | 94         |
|   | 278        | 280          | 2           | 0.53        | 0.34        | 100        |
|   | 390        | 434          | 44          | 0.53        | 0.13        | 99         |
|   |            |              |             |             |             |            |
| <b>189XC08</b>  | <b>14</b>  | <b>250</b>   | <b>236</b>  | <b>0.40</b> | <b>0.48</b> | <b>82</b>  |
|   | <b>258</b> | <b>424</b>   | <b>166</b>  | <b>0.54</b> | <b>0.20</b> | <b>99</b>  |
|   | <b>432</b> | <b>453.5</b> | <b>21.5</b> | <b>0.36</b> | <b>0.11</b> | <b>100</b> |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |             |             |             |            |
|   | 16         | 60           | 44          | 0.8         | 0.59        | 58         |
|   | 92         | 108          | 16          | 0.75        | 0.88        | 76         |
|   | 124        | 138          | 14          | 0.5         | 0.84        | 86         |
|   | 230        | 232          | 2           | 0.53        | 1.04        | 100        |
|   | 274        | 380          | 106         | 0.67        | 0.25        | 99         |
|   | 410        | 412          | 2           | 0.5         | 0.12        | 100        |
|   |            |              |             |             |             |            |
| <b>190XC08</b>  | <b>56</b>  | <b>248</b>   | <b>192</b>  | <b>0.88</b> | <b>0.90</b> | <b>93</b>  |
|   | <b>258</b> | <b>422</b>   | <b>164</b>  | <b>0.58</b> | <b>0.27</b> | <b>93</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |             |             |             |            |
|   | 56         | 232          | 176         | 0.94        | 0.95        | 92         |
|   | 268        | 270          | 2           | 0.53        | 0.49        | 100        |
|   | 286        | 288          | 2           | 0.73        | 0.61        | 100        |
|   | 296        | 320          | 24          | 1.01        | 0.57        | 100        |
|   | 328        | 362          | 34          | 0.62        | 0.21        | 99         |
|   | 370        | 402          | 32          | 0.68        | 0.13        | 94         |
|   |            |              |             |             |             |            |
| <b>191XC08</b>  | <b>52</b>  | <b>54</b>    | <b>2</b>    | <b>0.28</b> | <b>0.10</b> | <b>85</b>  |
|   | <b>238</b> | <b>280</b>   | <b>42</b>   | <b>0.44</b> | <b>0.29</b> | <b>99</b>  |
|   | <b>300</b> | <b>306</b>   | <b>6</b>    | <b>0.26</b> | <b>0.13</b> | <b>100</b> |
|   | <b>348</b> | <b>350</b>   | <b>2</b>    | <b>0.23</b> | <b>0.01</b> | <b>100</b> |
|   | <b>364</b> | <b>380</b>   | <b>16</b>   | <b>0.35</b> | <b>0.22</b> | <b>99</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |             |             |             |            |
|   | 246        | 260          | 14          | 0.51        | 0.37        | 99         |
|   | 272        | 278          | 6           | 0.79        | 0.52        | 97         |
|   |            |              |             |             |             |            |
| <b>192XC08</b>  | <b>18</b>  | <b>100</b>   | <b>82</b>   | <b>0.38</b> | <b>0.19</b> | <b>76</b>  |
|   | <b>108</b> | <b>118</b>   | <b>10</b>   | <b>0.28</b> | <b>0.15</b> | <b>72</b>  |
|   | <b>150</b> | <b>184</b>   | <b>34</b>   | <b>0.40</b> | <b>0.42</b> | <b>81</b>  |
|   | <b>208</b> | <b>212</b>   | <b>4</b>    | <b>0.46</b> | <b>0.35</b> | <b>98</b>  |
|   | <b>220</b> | <b>316</b>   | <b>96</b>   | <b>0.49</b> | <b>0.33</b> | <b>96</b>  |
|   | <b>328</b> | <b>340</b>   | <b>12</b>   | <b>0.32</b> | <b>0.36</b> | <b>96</b>  |



|   |            |              |              |             |             |            |
|---|------------|--------------|--------------|-------------|-------------|------------|
|   | <b>350</b> | <b>358</b>   | <b>8</b>     | <b>0.29</b> | <b>0.23</b> | <b>99</b>  |
|   | <b>366</b> | <b>368</b>   | <b>2</b>     | <b>0.25</b> | <b>0.20</b> | <b>100</b> |
|   | <b>382</b> | <b>404</b>   | <b>22</b>    | <b>0.24</b> | <b>0.12</b> | <b>98</b>  |
|   | <b>412</b> | <b>426</b>   | <b>14</b>    | <b>0.25</b> | <b>0.15</b> | <b>90</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 24         | 38           | 14           | 0.74        | 0.26        | 54         |
|   | 64         | 76           | 12           | 0.64        | 0.31        | 84         |
|   | 88         | 90           | 2            | 0.56        | 0.37        | 85         |
|   | 174        | 182          | 8            | 0.64        | 0.53        | 69         |
|   | 232        | 234          | 2            | 0.52        | 0.4         | 95         |
|   | 244        | 246          | 2            | 0.51        | 0.29        | 100        |
|   | 254        | 314          | 60           | 0.58        | 0.37        | 96         |
|   |            |              |              |             |             |            |
| <b>193XC08</b>  | <b>14</b>  | <b>308</b>   | <b>294</b>   | <b>0.73</b> | <b>0.48</b> | <b>81</b>  |
|   | <b>316</b> | <b>450</b>   | <b>134</b>   | <b>0.49</b> | <b>0.33</b> | <b>97</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 16         | 36           | 20           | 0.7         | 0.17        | 72         |
|   | 56         | 60           | 4            | 0.6         | 0.25        | 81         |
|   | 76         | 88           | 12           | 0.52        | 0.22        | 62         |
|   | 98         | 116          | 18           | 0.72        | 0.28        | 43         |
|   | 124        | 210          | 86           | 0.89        | 0.35        | 83         |
|   | 218        | 290          | 72           | 1.02        | 1.15        | 83         |
|   | 320        | 370          | 50           | 0.81        | 0.53        | 96         |
|   |            |              |              |             |             |            |
| <b>196XC08</b>  | <b>36</b>  | <b>194.6</b> | <b>158.6</b> | <b>0.83</b> | <b>0.36</b> | <b>79</b>  |
| <i>Including the following intervals at a 0.5% Cu lower cut-off</i> |            |              |              |             |             |            |
|   | 40         | 50           | 10           | 0.65        | 0.2         | 29         |
|   | 60         | 194.6        | 134.6        | 0.88        | 0.39        | 82         |
|   |            |              |              |             |             |            |

The Frieda River Project is a joint venture between Highlands Pacific, Xstrata Copper (operating partner) and OMRD. Highlands Pacific has a 16.9% stake in the joint venture.

For more information of the Frieda River project please refer to the company's website – [www.highlandspacific.com](http://www.highlandspacific.com)

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