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## FRIEDA RIVER DRILLING RESULTS

First results from 20,000m drilling campaign - 329 metres @ 0.85% Cu and 0.90 g/t Au from 12 metres

Highlands Pacific (ASX: HIG) is pleased to announce the release of the results of the first six holes of the current drilling program at the Frieda River project in PNG. 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 2009.

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 copper gold porphyry system.

In a set of excellent results the outstanding hole is 136XC08 which returned 329m at 0.85% Cu and 0.90 g/t Au starting at 12m. Even the lowest grade hole (134XC08) managed to produce a run of 112m at 0.48% Cu and 0.43 g/t Au starting 100m downhole.

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.

Drilling commenced in late April and production to date totals 7,435m with 20,000m planned in 2008. There are currently four drill rigs on site with another three scheduled to arrive later this quarter.

*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 mineralization 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
132XC08	9480275	584870	597	210	-50
133XC08	9480200	585000	559	210	-50
134XC08	9480190	585170	534	210	-50
135XC08	9480207	584834	632	210	-50
136XC08	9479964	585558	597	210	-50
137XC08	9480377	584411	661	210	-50

Hole	From	To	Meters	Cu (%)	Au (ppm)
132XC08	34	306	272	0.78	0.40
<i>Including the following intervals at a 0.5% Cu lower cut-off</i>					
	36	162	126	1.03	0.35
	178	196	18	0.68	0.64
	216	222	6	0.71	0.70
	234	306	72	0.65	0.44
133XC08	12	114	102	0.63	0.42
	122	312	190	0.54	0.48
<i>Including the following intervals at a 0.5% Cu lower cut-off</i>					
	14	52	38	0.78	0.48
	82	104	22	0.92	0.57
	156	160	4	0.80	0.69
	168	210	42	0.84	0.78
	218	250	32	0.55	0.60
	264	312	48	0.54	0.40
134XC08	14	82	68	0.42	0.22
	100	212	112	0.48	0.43
	226	254	28	0.23	0.38
	262	278	16	0.29	0.71
<i>Including the following intervals at a 0.5% Cu lower cut-off</i>					
	112	128	16	0.63	0.60
	134	148	14	0.61	0.28
	178	186	8	0.63	0.98
	192	208	16	0.69	0.48
135XC08	62	400	338	0.66	0.43
<i>Including the following intervals at a 0.5% Cu lower cut-off</i>					
	62	106	44	0.82	0.31
	122	152	30	0.61	0.80
	160	170	10	0.56	0.87
	178	292	114	0.69	0.39
	300	400	100	0.71	0.41

<b>136XC08</b>	<b>12</b>	<b>341</b>	<b>329</b>	<b>0.85</b>	<b>0.9</b>
<i>Including the following intervals at a 0.5% Cu lower cut-off</i>					
	14	52	38	1.03	0.61
	82	108	26	1.13	1.59
	134	138	4	0.94	1.13
	146	202	56	1.23	2.20
	224	341	117	0.98	0.70
<b>137XC08</b>	<b>20</b>	<b>142</b>	<b>122</b>	<b>0.39</b>	<b>0.17</b>
	<b>152</b>	<b>298</b>	<b>146</b>	<b>0.66</b>	<b>0.19</b>
<i>Including the following intervals at a 0.5% Cu lower cut-off</i>					
	28	36	8	1.14	0.30
	64	70	6	0.53	0.28
	80	96	16	0.46	0.16
	158	260	102	0.79	0.22
	284	288	4	0.57	0.13

The Frieda River project is a joint venture between Highlands Pacific, Xstrata Copper (operating partner) and OMRD. Highlands Pacific has a 16.4% 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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