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KAINANTU PROJECT – REFINANCING UPDATE

Further to its update of 15 December, 2006, Highlands Pacific Limited (HPL) advises that it continues to work with its banking syndicate to restructure the Kainantu project gold forward sales program and the financing facility, which is yet to be agreed.

The gold forward sales contracts which were due to mature on 22 December, 2006, have now been rolled by the banking syndicate to 31 January 2007 to assist with the finalisation of the overall restructure. The current forward sales program is as set out below.

Delivery Date	Ounces	Gold Price (USD)
31 January 2007	2,750	406.40
31 January 2007	13,500	406.23
31 January 2007	4,750	411.75
31 January 2007	6,500	409.60
31 January 2007	3,200	424.67
31 January 2007	2,500	420.82
31 January 2007	6,300	405.87
31 January 2007	13,700	406.45
31 January 2007	5,000	420.51
31 January 2007	6,500	417.15
30 March 2007	19,000	403.18
30 March 2007	5,000	417.90
29 June 2007	18,000	403.18
29 June 2007	5,000	417.90
28 September 2007	19,000	403.18
28 September 2007	5,000	417.90
31 December 2007	22,000	403.18
31 December 2007	2,300	417.90
31 March 2008	25,000	402.60
31 March 2008	5,000	417.90
30 June 2008	30,000	402.60
30 September 2008	15,000	404.34
31 December 2008	15,000	404.34
Total	250,000	406.44

The balance outstanding in the project financing facility provided by ABN AMRO, SG Australia and RMB Resources now stands at \$US 24.77 million following a repayment of \$US 2.5 million in November 2006.

Current cash reserves are \$US 17 million.

For further information contact:

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