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KAINANTU GOLD MINE – NEW MANAGEMENT TEAM APPOINTMENT

In the second phase of its management shake-up, Highlands Pacific Limited (Highlands: ASX – HIG) today announces the appointment of a new management team for its flagship gold operation at Kainantu.

This follows the appointment of Mr John Gooding as the new Managing Director of Highlands on 21 May 2007.

Mr Gooding said that a priority task of the new team going forward would be a thorough review of the gold resource and reserve position as well as the mine plan at Kainantu, to establish a reliable schedule of gold production.

The new Kainantu management will be:

David Whittle – General Manager, responsible for the Kainantu Mine. Mr Whittle is a mining engineer with very extensive experience in the management and operation of gold and base metal mines in Australia and Africa.

Gary Varley – Mine Manager. Mr Varley has wide experience in underground gold mining operations, again in both Australia and Africa.

Bill Reid – Mill Manager. Mr Reid has had a long time involvement in the efficient operation and management of gold and floatation plants in Australia and overseas, including a period in PNG.

Peter Scerri – Maintenance Manager. Mr Scerri will be responsible for all underground mining and milling equipment, as well as the infrastructure at Kainantu. He has extensive experience in Australia, South America and Africa; and he also has worked in PNG for a period.

This very experienced team – most of whom have worked with Highlands' Managing Director in the past – will join two other team members already in place:

Chris Huddy – Chief Geologist, Kainantu. Mr Huddy's geological experience includes work in underground gold mines, very relevant to Kainantu. It should be noted that he has also worked for Mr Gooding in the past.

David Wissink – Manager, Community and Cultural Affairs. Mr Wissink has PNG responsibility in these areas but is based at Kainantu. He has an impressive record of work for both Highlands and other groups in handling community issues in PNG.

The new Kainantu team will come on board over the next few weeks, and will be fully operational by late July.

"From what I have seen at Kainantu, and given the calibre of the new team that we have assembled, I have every confidence that Kainantu can be turned around and reach its full potential", Mr Gooding said.

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