



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

Registered Office

PO Box 1486, Port Moresby NCD 121
Papua New Guinea
Level 9 Pacific Place, Musgrave Street
Port Moresby NCD 121
Papua New Guinea

Telephone: (675) 321 7633

Facsimile: (675) 321 7551

Website: www.highlandspacific.com

Registered Office in Australia

GPO Box 3086, Brisbane QLD 4001
Australia
Level 4, 167 Eagle Street
Brisbane Qld 4000
Australia

Telephone: (617) 3239 7800

Facsimile: (617) 3221 6727

Email: info@highlandspacific.com

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KAINANTU PROJECT – PLACEMENT OF SHARES TO RCF (IV)

Highlands Pacific is pleased to announce that 82,715,518 shares have been issued to Resource Capital Fund IV LP (RCF IV) raising USD19.2 million. These shares constitute the first tranche of a placement of shares and options to RCF IV previously announced to the market on the 12th, 22nd and 28th February 2007. At completion, the full placement of shares will raise a total of USD20 million.

RCF IV is a new investment fund managed by Resource Capital Funds (RCF), a private equity funds manager based in Denver, Colorado, USA. RCF's various funds have investments in mining projects around the world in a range of commodities, including gold, base metals, coal and industrial minerals.

Mr. Ian Burvill, one of RCF's Australian based Partners, has also joined Highlands Pacific's Board.

On completing the issue of the first tranche of shares Mr Bob Bryan, Chairman of Highlands Pacific Limited said "we regard this major investment by RCF IV as very much a vote of confidence in the prospects of Highlands Pacific". Referring to Mr Burvill's appointment to Highlands Pacific's Board he added that "Mr Burvill's experience in the mining sector will be of real value to the Company going forward".

For further information contact:

Ian Holzberger, Managing Director
Phone: (61 7) 3239 7 800
Mobile: 0418 886 165
Email: irh@highlandspacific.com

Craig Lennon, Company Secretary
Phone: (61 7) 3239 7800
Mobile: 0417720081
Email: clennon@highlandspacific.com

