

30 June 2000

## **ANNOUNCEMENT**

# **PNG Government approves Mining Development Contract (MDC) for the Ramu Nickel Project**

Highlands Pacific Limited (ASX: HIG, POMSOX: HIG) is pleased to advise that the Papua New Guinean Government has approved the Mining Development Contract (MDC) for the Ramu nickel project located in the Madang Province.

Managing Director of Highlands Pacific, Mr Ian Holzberger said, "the approval of the MDC by the National Executive Council (cabinet) now clears the way for the final stage of the permitting process, the issue of the Special Mining Lease (SML).

"The Ramu MDC is a binding contract entered into by the Governor General of PNG on behalf of the State and the developers of the Ramu project and is the last of a number of prerequisites required for the issue of the SML" he said.

In the contract, the PNG Government commits to providing all the necessary leases, permits and approvals to allow the project's development. The State also undertakes to reimburse the developers for any adverse impacts on the project's financial returns that are directly linked to changes in PNG's fiscal regime, for a period of ten years after commercial production commences.

A copy of the PNG government's announcement on the MDC approval is attached.

The US\$838 million Ramu Nickel Project, which is 68.5% owned by Highlands and 31.5% owned by Oregon Minerals Limited, will initially produce 33,000 tonnes of nickel and 3,200 tonnes of cobalt annually.

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