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MEDIA RELEASE

**HIGHLANDS' WORLD CLASS RAMU NICKEL PROJECT
GAINS ENVIRONMENTAL APPROVAL**

Highlands Pacific Limited (ASX: HIG, POMSOX: HIG) today announced that the Papua New Guinean government has approved the Environmental Plan for the Ramu nickel project in Madang province.

The approval is a major step forward in advancing the US\$838 million project, which is 68.5% owned by Highlands and 31.5% owned by Orogen Minerals Limited.

The approval by the PNG Office of Environment and Conservation (OEC) includes authorisation to build and operate the Ramu mine, processing facilities, tailings management system and associated infrastructure.

Commenting on the approval, Mr Ian Holzberger, Managing Director of Highlands said, "with the environmental plan agreed and final permitting drawing near, we are very confident that a grant of the Special Mining Lease (SML) is imminent."

The Ramu Environmental Plan examines possible impact to the physical environment arising from mining and associated land clearing, processing operations and tailings management.

The plan, which is the culmination of six years of baseline investigations and a study costing in excess of US\$5 million, also addresses social impacts such as the project's effects on the traditional values of the local people.

The plan was subject to an internal review by the OEC and an external expert review by internationally recognised consultants.

Public forums were also held in Port Moresby and Madang together with some 75 individual presentations to 15,000 people in villages in the region surrounding the project.

The only outstanding permitting before the issue of the Special Mining Lease is approval of the Mining Development Contract (MDC) and the MOA.

"With the permitting approval process for Ramu nearing completion, the Company can now focus on negotiations with equity participants and project financing," Mr. Holzberger added.

Ramu is a world-class nickel project that will initially produce 33,000 tonnes of nickel and 3,200 tonnes of cobalt annually. Sufficient reserves have been identified at Ramu to support a 40-year operation.

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