



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

Registered Office
PO Box 1486
Level 9 Pacific Place
Musgrave Street
Port Moresby NCD 121
Papua New Guinea
Telephone: (675) 321 7633
Facsimile: (675) 321 7551

Registered Office in Australia
GPO Box 3086, Brisbane Qld 4001
Level 4 Telstra House
167 Eagle Street
Brisbane Qld 4000
Australia
Telephone: (617) 3239 7800
Facsimile: (617) 3221 6727

E-MAIL info@highlandspacific.com
WEB SITE www.highlandspacific.com

3 May 2005

ANNOUNCEMENT

HIGHLANDS PACIFIC TO PAY BROKERAGE HANDLING FEE SHARE PURCHASE PLAN ACCEPTANCES

Highlands Pacific today announced that it will pay a 2.0% handling fee to facilitate acceptances under the Share Purchase Plan announced on 19 April 2005. The terms and conditions of which are detailed in the Chairman's letter to shareholders dated 21 April 2005. The offer under the Share Purchase Plan will close on 20 May 2005.

The consideration will be payable to any Participating Organisation of the Australian Stock Exchange and Port Moresby Stock Exchange:

1. whose stamp appears on the Acceptance Form; or
2. where the acceptance for a broker sponsored client is initiated through CHES by a broker participant, on behalf of their client.

Highlands Pacific expects to pay the handling fee to each Participating Organisation in early June 2005. It is expected that Highlands Pacific will make one lump sum payment to each eligible Participating Organisation. Please note that it is the responsibility of each Participating Organisation to allocate the handling fee among their individual private client advisers, as Highlands Pacific will not track this information.

Any documentary evidence required should be sent to Computer Investor Services Pty Ltd, GPO Box 523, Brisbane Qld 4001 and Computershare Investor Services Pty Limited, C/- Kina Securities Limited, PO Box 1141, Port Moresby NCD 121, Papua New Guinea.

For further information contact:

Ian Holzberger, Managing Director
Phone: (61 7) 3239 7800
Mobile: 0418 886 165
Email: irh@highlandspacific.com

Jeff Forbes, General Manager Finance
Phone: (61 7) 3239 7800
Mobile: 0408 756 790
Email: jif@highlandspacific.com