



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

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17 October 2002

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 3 October 2002. The terms and conditions of which are detailed in the Chairman's letter to shareholders dated 15 October 2000. The offer under the Share Purchase Plan will close on 21 November 2002.

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 December 2002. 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/- Deloitte Touche Tohmatsu, PO Box 1275, Port Moresby NCD 121, Papua New Guinea.

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