



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

2 October 2002

The Companies Announcements Office
The Australian Stock Exchange Limited
Sydney

Mrs E G Taule
BEM - Listing Manager
Port Moresby Stock Exchange
P O Box 1531
Port Moresby NCD
Papua New Guinea

Dear Sir/Madam

SHARE PLACEMENT

Highlands Pacific requested a trading halt on 25 September 2002 whilst it conducted a roadshow to domestic and international investors with ABN AMRO Morgans. The roadshow has now been completed.

Highlands Pacific and ABN AMRO Morgans are finalising a Share Placement to domestic and international institutions and sophisticated investors at \$0.25c per share.

The bookbuild will be finalised today and a full announcement will be made prior to the market opening on Thursday, 3 October 2002.

The Company will seek reinstatement of its shares for Thursday, 3 October 2002.

The funds raised by the Share Placement will be used for the development of the Kainantu Gold project in Papua New Guinea.

Yours faithfully

A handwritten signature in black ink, appearing to read "J I Forbes", written in a cursive style.

J I FORBES
Company Secretary