



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

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UPDATE

Highlands Pacific (ASX: HIG) is pleased to provide an update on financial activity in a number of its projects in Papua New Guinea.

Kainantu Sale – Barrick Gold Corporation

Highlands has received executed transfer documents for EL 1399 from the PNG Department of Mines which was part of the sale of the Kainantu gold mine and surrounding exploration licences to Barrick Gold Corporation ("Barrick") in December 2007.

In the quarterly report released in July 2008, Highlands indicated that it had received US\$4 million from Barrick and was awaiting receipt of the transfer documents. These documents have now been executed by the Department of Mines and the funds released from escrow.

Transfer documents for EL 1277, which represents a further US\$3 million, are yet to be executed. It is anticipated that this will occur before the end of the year, thereby completing the US\$141.5 million sale of Kainantu.

As a result of the sale of Kainantu, Highlands is now in a very strong financial position, with current cash reserves of approximately US\$27.5 million. As such, the company is evaluating a number of precious and base metal projects.

Ramu Financial Close

As a result of the US\$1.37 billion Ramu nickel cobalt project reaching financial close, Highlands has received US\$500,000 from OilSearch Limited (on behalf of Orogen Minerals Ramu Limited – Nord Australex Nominees (PNG) Limited) and has paid AU\$1.5 million (~US\$1.33 million) to Eastern Pacific Mines Limited. Both these transactions are disclosed in the Annual Report under the heading "Contingent Assets and Liabilities". Further receipts and payments will occur once commercial production is achieved.

Bayview Apartment

An apartment in Port Moresby PNG (non-core asset), has been sold for Kina 1.8 million (~US\$696,000) and will be settled shortly.

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