

Presentation

Annual General Meeting



ANNUAL GENERAL MEETING

Port Moresby

20 MAY 2010

Disclaimer

& Competent Persons Statement

Disclaimer & Forward Looking Statements

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Reserves & Resource and Competent Persons Statement

Information contained in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on previous announcements made by Highlands Pacific Group Limited to the ASX & POMSOX.

The information in this report that relates to Kurumbukari , Koki Mineral Resources and any exploration results is based on information compiled by Lawrence Queen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Queen is a full-time employee of Highlands Pacific and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Queen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Dr Brian White, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr White is employed by Brian White Mining Services and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr White consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The ore reserve calculation includes low-grade rocks and rock fragments, which are present at the base of the ore body. These rocks and rock fragments, which are considered as internal waste, along with chromite will be removed at the mine site in the beneficiation plant. The resulting autoclave feed grade will be 1.01% nickel and 0.11% cobalt

The information in the report that relates to Frieda Horse/Ivaal/Trukai & Nena Mineral Resources presented is based on information compiled by Mr Raúl Roco, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Roco is a full-time employee of an Xstrata Copper entity. Mr Roco has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the estimation of Mineral Resources to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Roco consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Throughout the presentation all figures are quoted in US\$ unless otherwise stated

Highlands Pacific

Our Home - Papua New Guinea

PNG

- ✓ Mining laws: World Standard
- ✓ Taxation: 30%
- ✓ Infrastructure: Improving



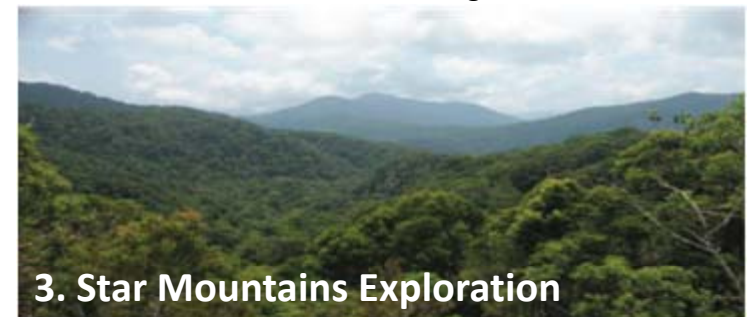
1. Ramu Nickel Cobalt

75 km to Madang. 45mins by plane to Moresby



2. Frieda Copper

90 km to Ok Tedi. 175kms to Porgera



3. Star Mountains Exploration

20 km to Ok Tedi. 45mins plane Port Moresby

Investment Snapshot

Our credentials and assets

Investment Snapshot

Assets: Tier 1 long life and strong partners
Cash: US\$22m, debt free
Leverage: Share of metal in ground

Ramu Nickel/Cobalt Project

Scale: Major world Ni-Co operation. +20 year life
Commissioning: Six Months
Production: 2010
Cash Costs: Mid tier

Frieda Copper/Gold Project

Scale: +160ktpa Cu, +240koz pa Gold, +27 year life
Budget: Expenditure 2010 US\$78m
Studies: Pre-Feas due 3Q 2010. Feasibility 2011
Cash Costs: Lowest quartile

Star Mountains Project

US\$3M Initial budget underway
2,500 line kms airborne electromagnetic survey
2,400 metres of drilling



Directors

And executive team



Ken MacDonald - Chairman

Over 30 years experience in corporate law



John Gooding - Managing Director & CEO

Over 30 years experience in gold and base metals mining, exploration, refining and projects. Previously held executive positions with Normandy, MIM, Xstrata, OK Tedi and Roche



Drew Simonsen - Non-executive Director

Over 30 years in mining and banking



Mike Carroll - Non-executive Director

CEO Neumann Associate Companies



Rod Mitchell - Non-executive Director

CEO NASFUND of PNG



Fiu Williame-Igara - Non-executive Director

Advisor Public Sector Reform Unit, PNG

Highlands Executive Team

Craig Lennon - CFO & Company Secretary

Larry Queen - Chief Geologist

Peter Jolly - General Manager Projects

Terry Smith - General Manager Mining & Business Development

Capital Structure

And shareholders

Finance

Cash & Equivalents	A\$24M (US\$22M)
Debt	nil
Hedging	nil

Markets

Exchanges	ASX and POMSoX
Share Price	A30c
Capitalisation	A\$200 million



Issued Capital

Issued Shares	662 million
Unlisted Options (7.8c - 27c)	35 million

Shareholders

RCF Management	13.2 %
National Super Fund	9.9 %
Baker Steel	8.2 %
Independent Public Business	4.6%
Kina Funds Management	4.1%
Top 20 holders	53 %
Number Shareholders (approximately)	8,500

Our Resource Base

Significant share of metal and potential

The Project's Resources	Our %	Our Share of Inventory
Frieda Copper ** Copper - 8.1Mt Gold - 13.4 Moz	18.18%**	Copper 2.5 Mt Gold 3.2 Moz
Ramu Nickel* Nickel - 1.4Mt Cobalt - 140 kt	8.56%*	Nickel 125,000t Cobalt 12,250t

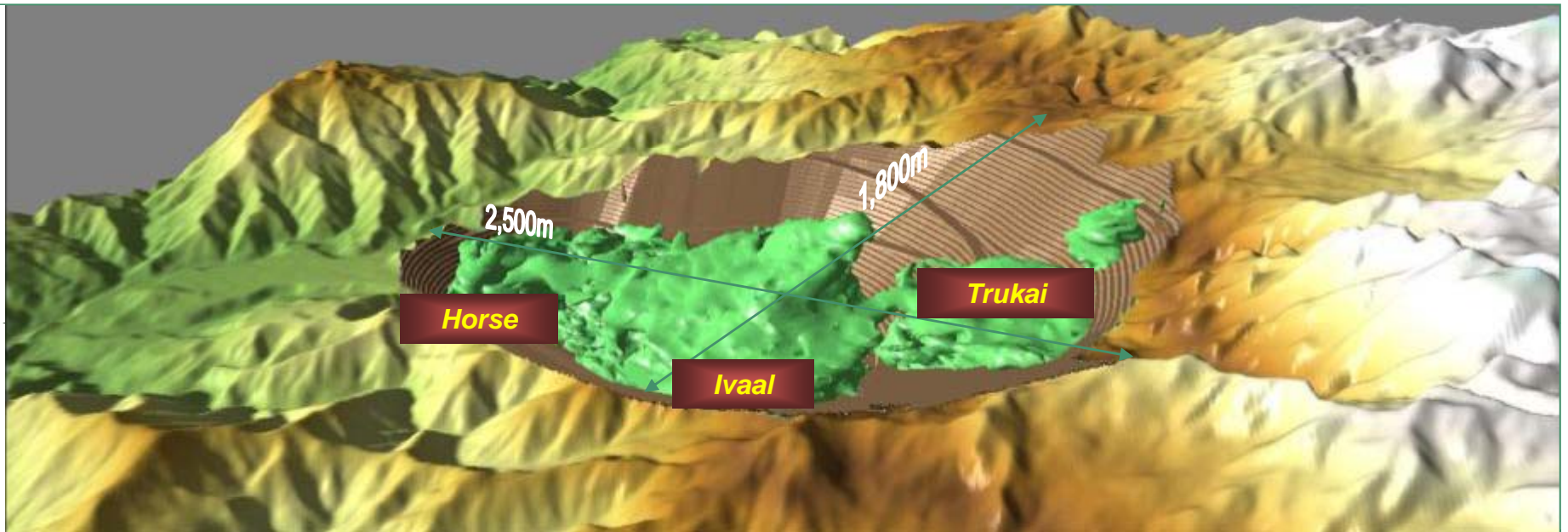
* Ramu – Highlands moves from 8.56% to 11.3% when debt repaid and can elect to move to 20.55% by purchasing interests at fair market value.

** Frieda - The Frieda copper/gold district contains a number of project and resource areas. For example Highlands hold 100% of the Nena deposit of which Xstrata can move to 81.82 % for a US\$10.8M payment .

For a full review of the Frieda and Ramu resources refer to the appendix.

Frieda Copper

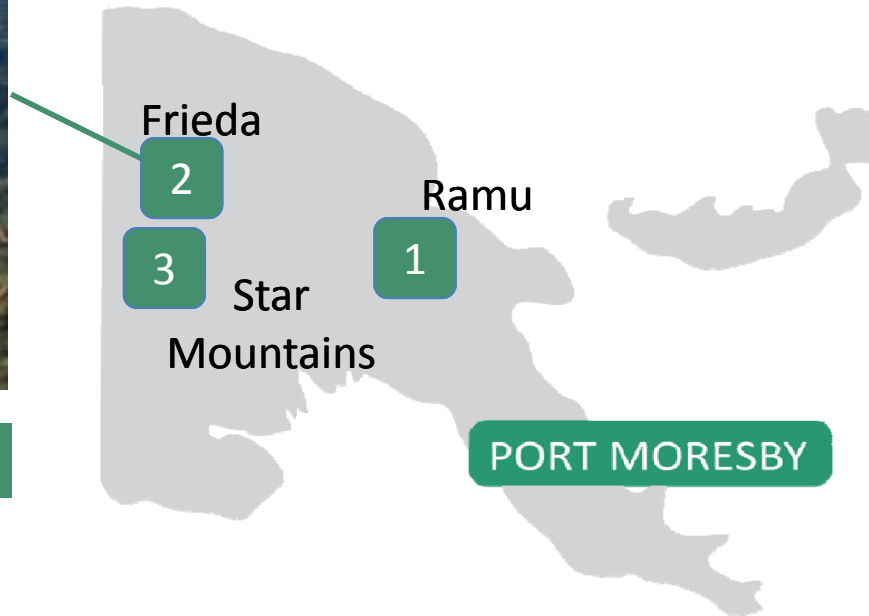
A world class Tier 1 asset



FRIEDA COPPER PROJECT
ASSET OF WORLD SIZE, SCALE AND QUALITY

Frieda Copper Project

Location



Elevation Comparisons

Frieda	500 metres
Ok Tedi	2,000 metres
Porgera	2,600 metres

Frieda distance from

Pt Moresby	780km
Wewak	210km
Ok Tedi	90km

Frieda travel time from:

Pt Moresby	90 mins by Plane
Mt Hagen	20 mins by Plane

Frieda Copper Project

US\$80m in exploration & studies to date by Xstrata



FRIEDA COPPER PROJECT GEOLOGY AND PIT MODELLING

Frieda Copper / Gold Project Areas

District resources of 1.5 billion tonnes

Horse Ivaal Trukai

The area of major project + exploration focus.
Drilling to a depth of +600 metres.

Partners: HIG 18.18%, Xstrata 81.82%

Resource: 1,060Mt 0.53% Cu, 0.29g/t Au,
@ 0.3% Cu Cutoff
1,418Mt 0.46Cu, 0.25g/t Au,
@ 0.2% Cu Cutoff

Koki

Potential for H-I-T pit expansion.

Partners: HIG 18.18%, Xstrata 81.82%

Resource: 274Mt @ 0.4%Cu, 0.3g/t Au

Deposit: Porphyry style

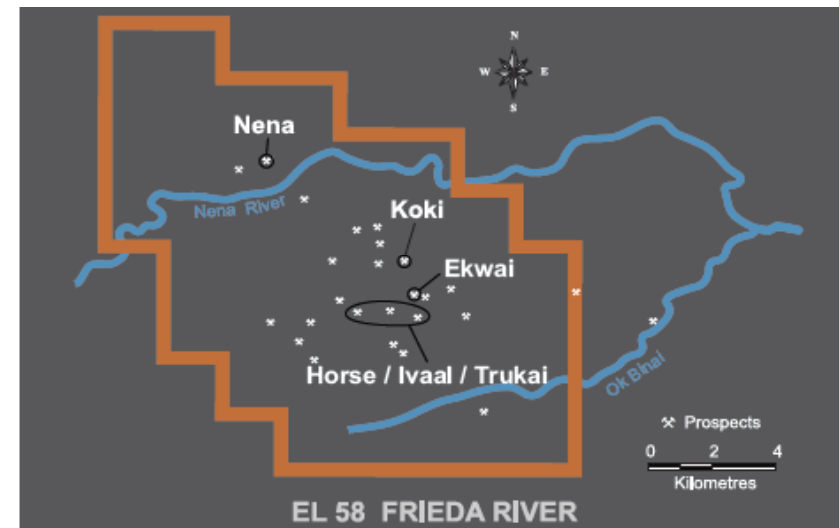
Nena

Xstrata to pay US\$10.8M for interest in Nena.

Partners: HIG 100%

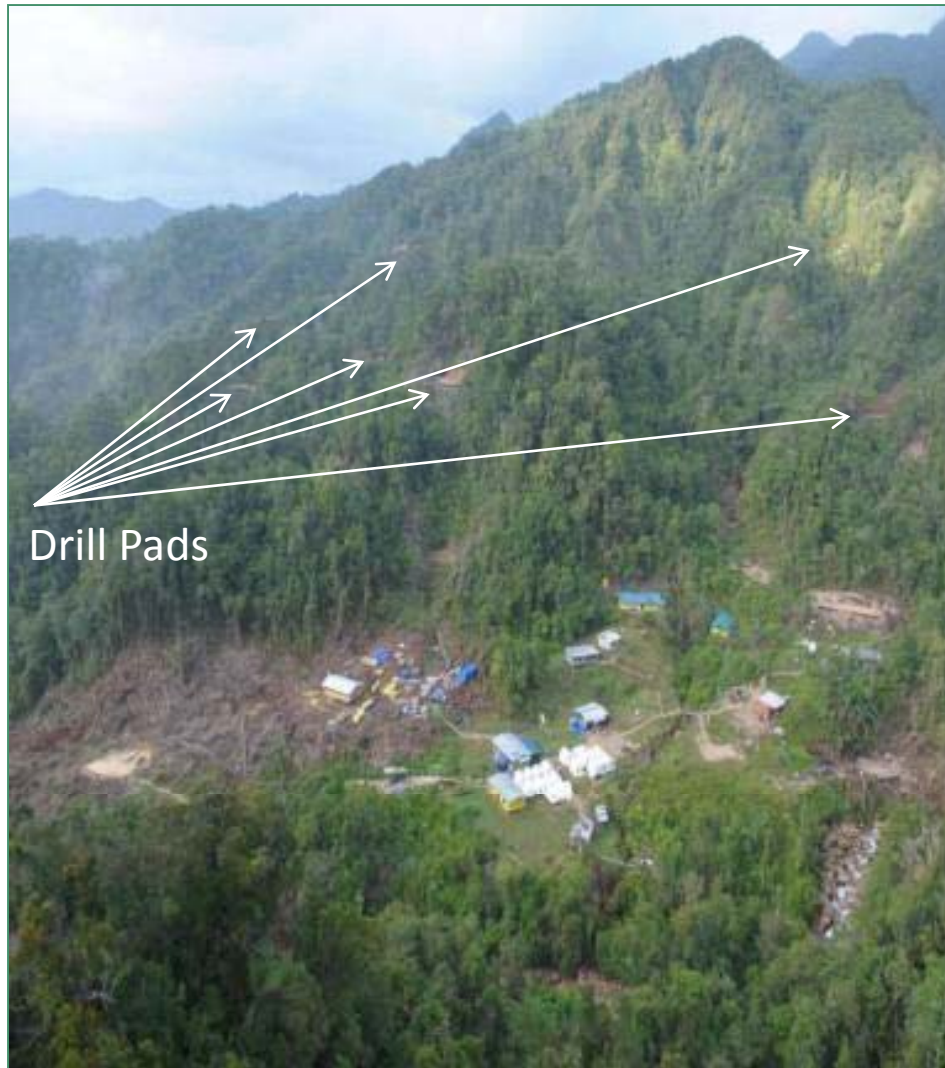
Resource: 51 Mt @ 2.43%Cu, 0.57g/t Au

Deposit: Massive sulfide.



Frieda Copper / Gold Project

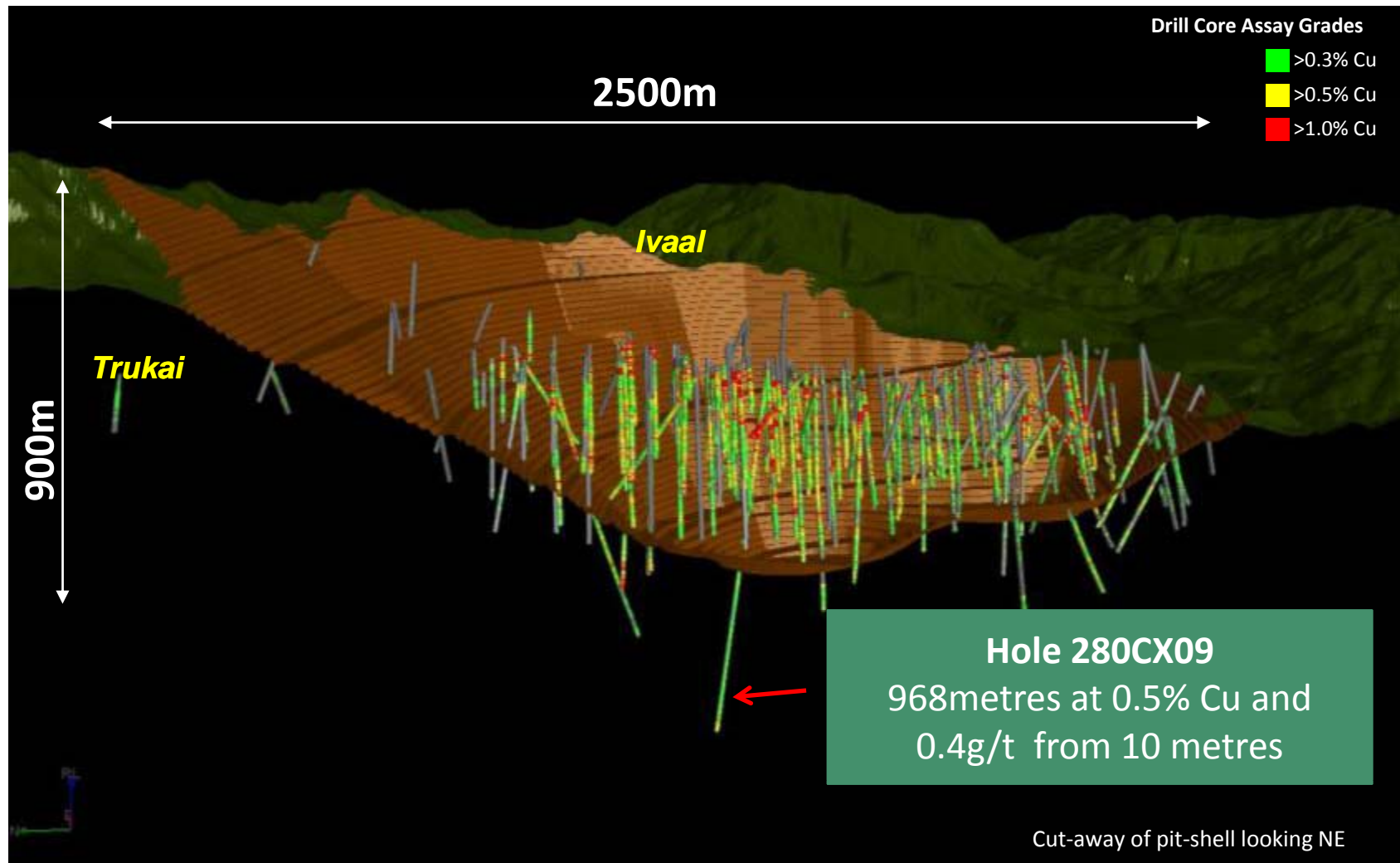
Drill Pads



Frieda Copper / Gold Project

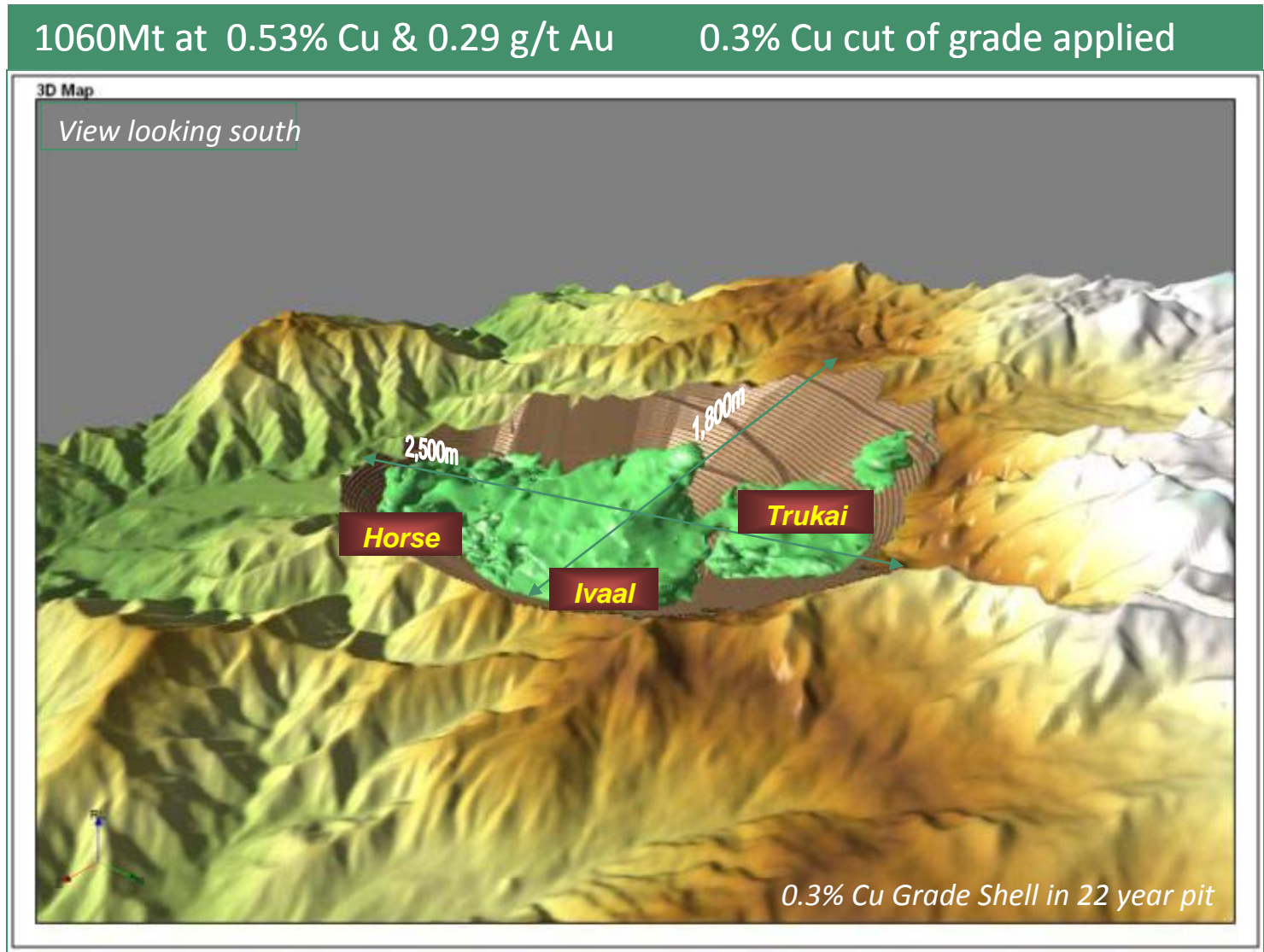
2009 Resource Model -Horse-Ivaal-Trukai

260 Diamond Drill Holes – 87 kms of drilling



Frieda Copper / Gold Project

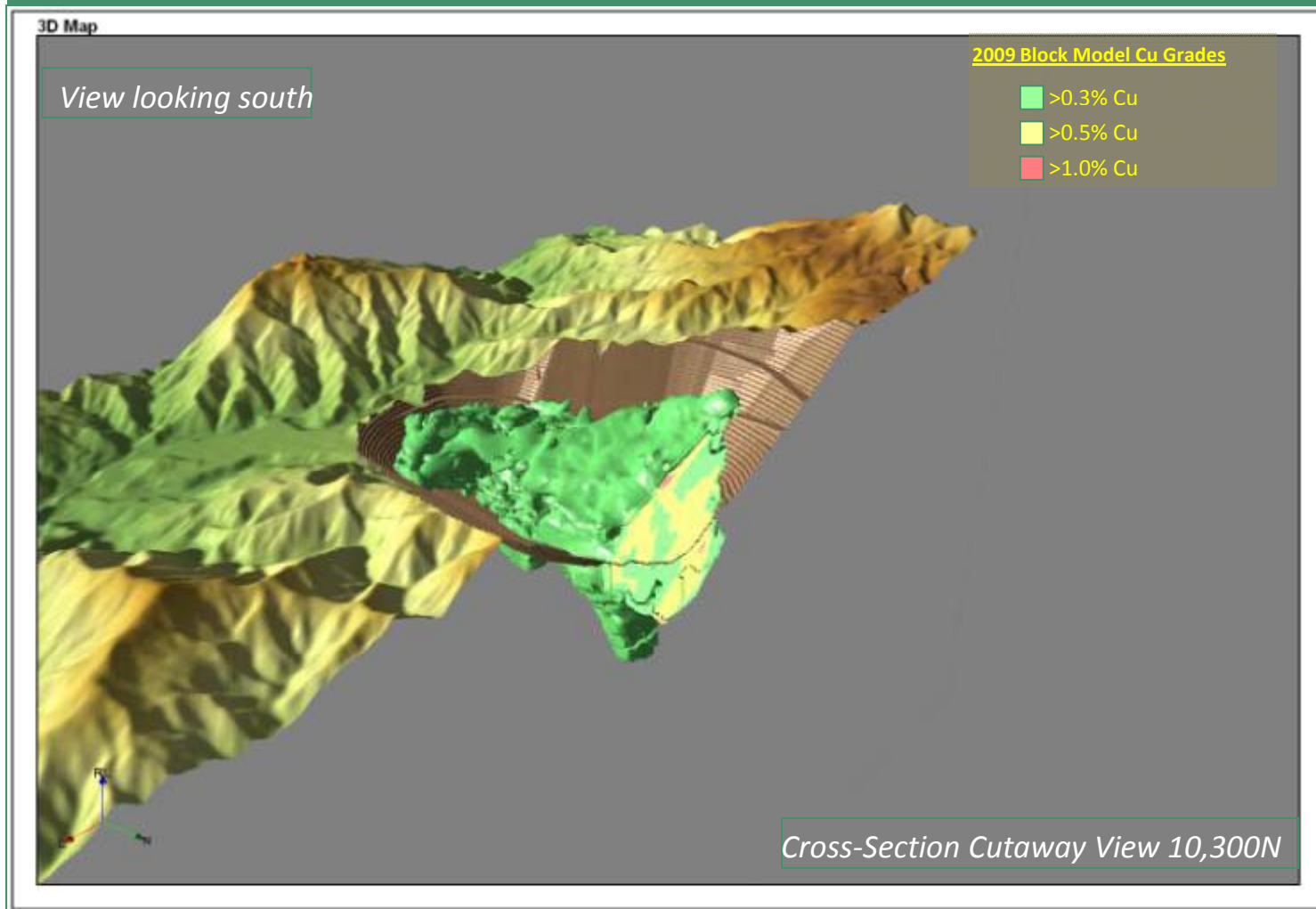
2009 Resource Model – Horse-Ivaal-Trukai



Frieda Copper / Gold Project

2009 Resource Model – Horse-Ivaal-Trukai

1060Mt at 0.53% Cu & 0.29 g/t Au 0.3% Cu cut of grade applied

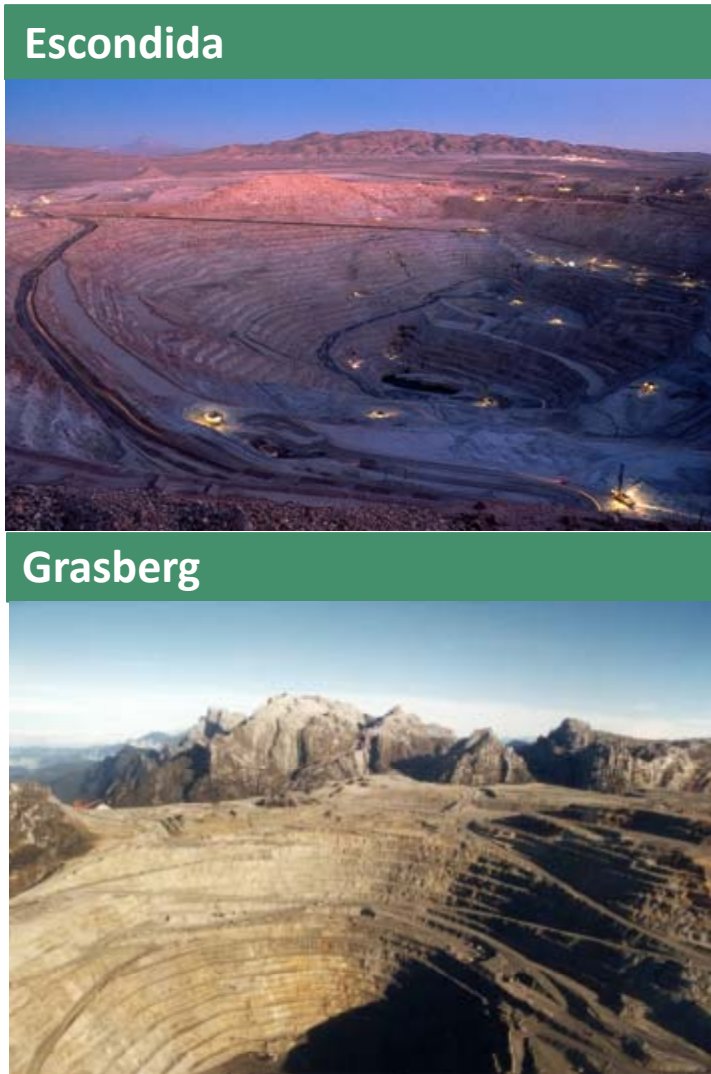




FRIEDA COPPER PROJECT ECONOMICS AND COMPARISONS

World Copper Production in 2009

If in production at +250,000 tpa Frieda would be in Top 15



Project		Owner	Cu ktpa
1	Escondida	BHPB / Rio	776
2	Grasberg	Freeport	635
3	Toquepala + Cuajone	S. Peru Copper	554
4	Chuquicamata	Codelco	550
5	Norilsk	MMC Norilsk	425
6	Antamina	BHP Xstrata Teck	384
7	El Teniente	Codelco	381
8	Collahuasi	Xstrata Anglo	380
9	Morenci	Phelps	380
10	Batu Hiju	Newmont	325
11	Los Pelambres	Antofagasta	320
12	Bingham Canyon	Rio Tinto	265
Top 12 account for 30% world output			

Frieda Comparisons

At 50 Mtpa among top new projects in world

Project	Owner	Plant	Cu ktpa	Gold koz pa	Capex US\$	
1	Olympic Dam Exp	BHPB	60Mtpa	515	700	15-20B
2	Oyu Tolgoi - Mongolia	Rio / Ivanhoe	54Mtpa	450	320	+5B
3	Pebble - Alaska	Rio / Anglo	73Mtpa	400	680	+4B
4	Tampakan - Philippines	Xstrata / IRN	44-66 Mtpa	340	360	5.2 B
5	La Granja - Peru	Rio Tinto	84Mtpa All Leach	300	n/a	3.3B
6	Frieda - PNG	HIG/Xstrata	50 Mtpa	200-250	260-320	~4.4 B
7	Toromocho - Peru	Codelco	55Mtpa + Leach	228	n/a	3.2B
8	Las Bambas - Peru	Xstrata	18Mtpa	200	48	2.8B
9	El Pachon - Argentina	Xstrata	40Mtpa	150	n/a	2.9B
10	Reko Diq - Pakistan	Barrick	26Mtpa + Leach	150	212	2.8B
Other Recent New Projects						
	Lumwana - Zambia	Equinox	20 Mtpa	120	n/a	US \$841M
	Prominent Hill	OZ Minerals	8 Mtpa	~100	60	A\$1.15 B

Source: Highlands. Not a comprehensivelist. Includes 'Name' project for comparison purpose. Excludes some extreme risk countries

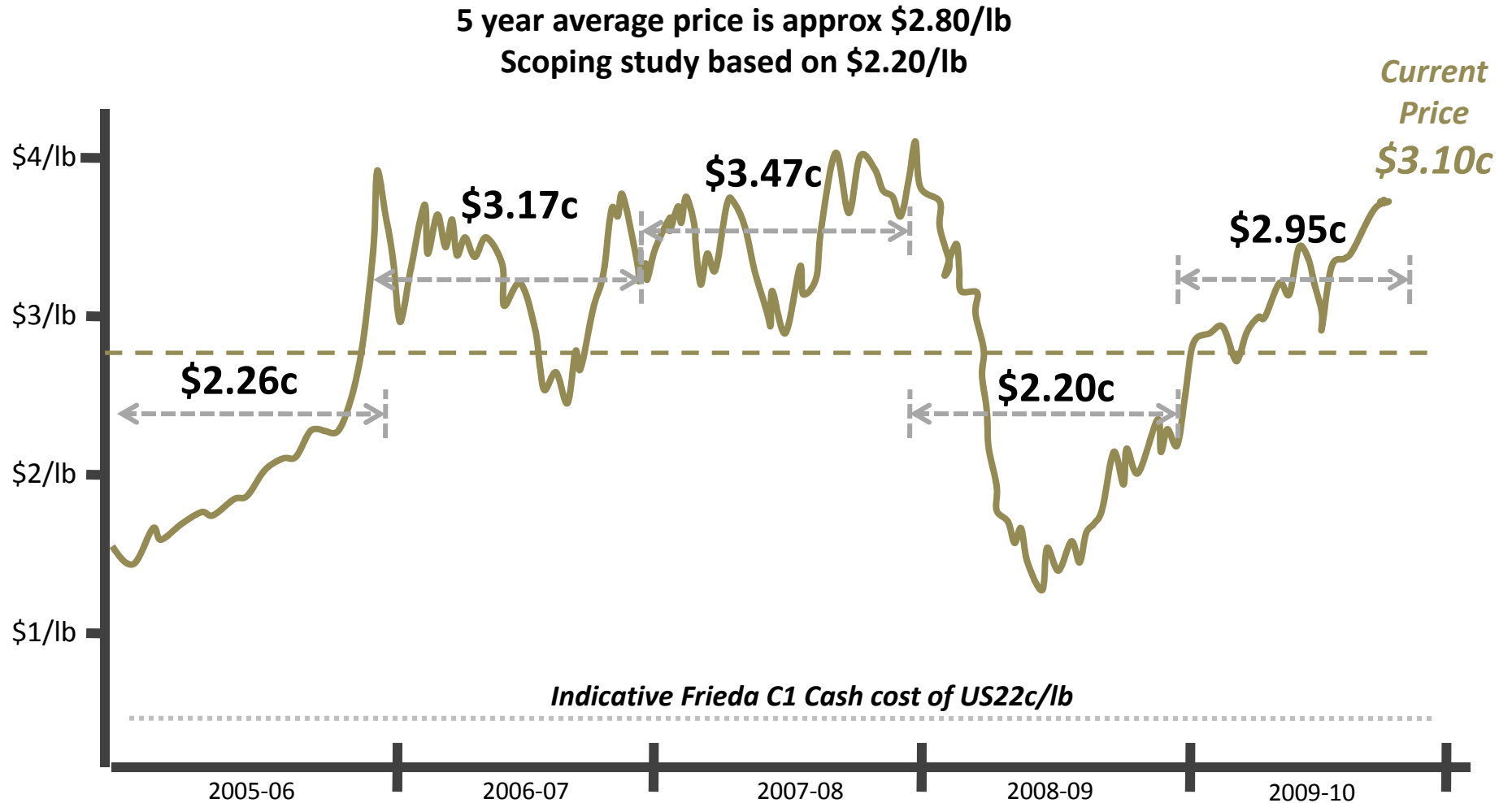
Frieda Scoping Study: 40Mtpa

Prefeasibility due Q32010 look at optimisations and expansions + 40Mtpa

Jan 2009 Scoping Study: 40 Mtpa		Comment
Mining & Processing Facilities	~\$1.2B	Scoping study was top of cycle.
Infrastructure (includes 140 MW Hydro)	~ \$1.4B	Hydro the key capex. But excellent opex. US6.1c kWh drives C1 costs US22c/lb Cu.
EPCM, Indirects, Owners Costs	~\$900M	Potential for savings, costs function of scale.
Contingency	~\$900M	25% contingency conservative to be refined.
all figures US\$	Capex TOTAL	Highlands share ~US\$600m plus contingency
	~\$4.4B	

Copper Price

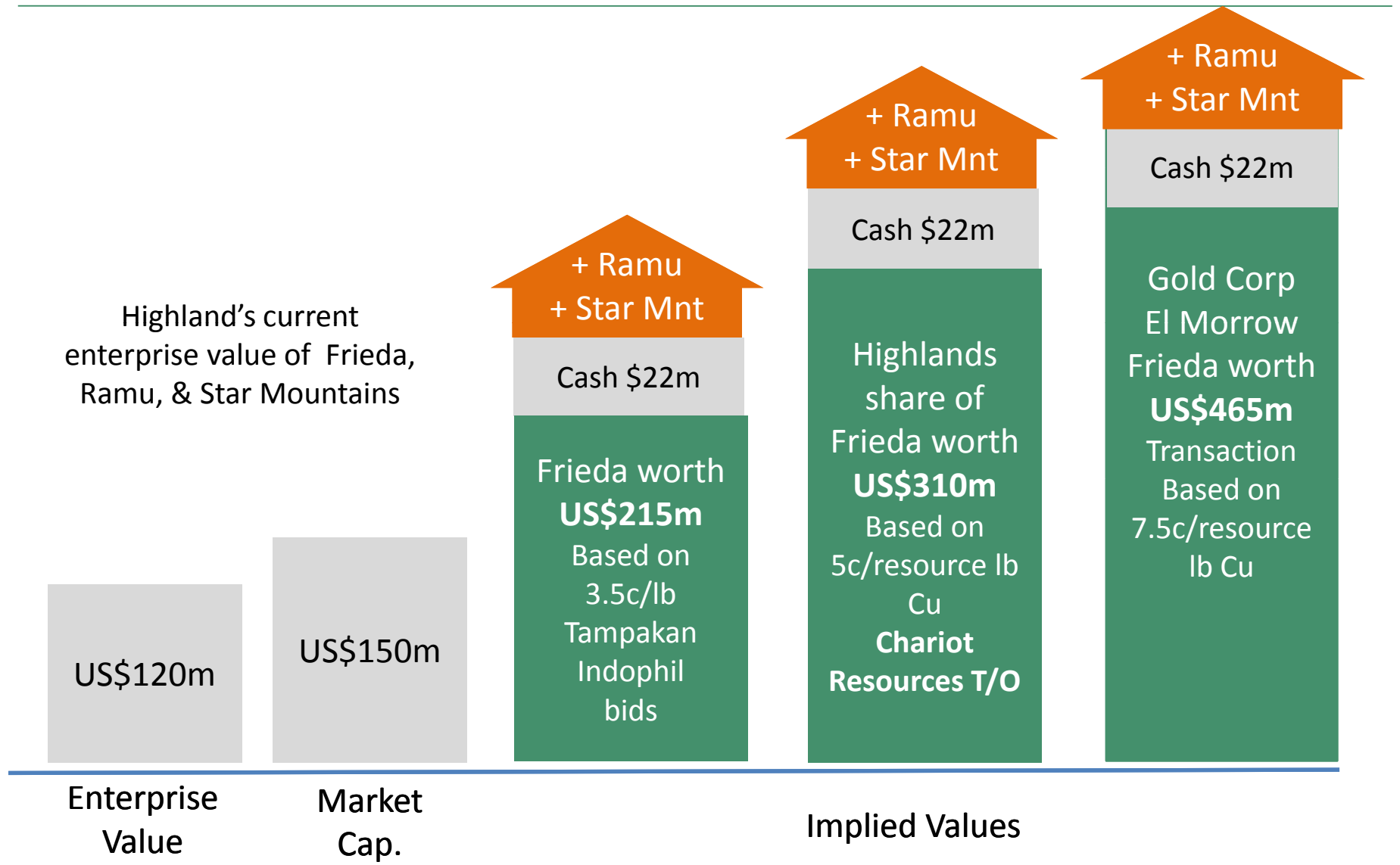
Frieda robust at any point in cycle



Source: ABARE. 2009-10 is nine months to 31 March.

Value of Frieda to Highlands

Recent transactions 3.5-7c per resource pound of copper



Frieda Economics - Cash Flow

Highlands at current prices +US\$200mpa



	Scoping 40Mtpa	Highlands share	PFS 50 Mtpa?	Highlands share
	Cu - 160kt pa	29kt	Cu - 200kt pa	~36ktpa
	Au - 240koz pa	44koz	Au - 300koz pa	~55koz
Scoping Study Cash Flow US\$2.20/lb Cu and US\$800/oz Au		US\$ 128M pa		tba
Cash Flow (at \$3lb copper) This is past 5 year LME average		US\$ 178M pa		tba
Current Prices Cash Flow US\$3.40/lb Cu + US\$1100/oz Au		US\$ 217M pa		tba

Cash flow assumptions based on C1 cost of US 22c/lb. This is before finance costs.
Highlands Share 18.18%

Ramu Nickel



RAMU NICKEL COBALT

Ramu History and Resource

Long life project (+27 years) no recourse to Highlands

Kurumbukari – 100km from Madang



Slurry Pipeline - 135 km



AGM 2010

History

- Oct 04:** Chinese Metallurgical Group (MCC) purchases 85% from HIG
- Nov 06:** Construction commences
- Dec 09:** Commissioning commences

Reserves and Resource

- Resource:** 143 Mt @1.01% Ni and 0.1% Co
- Reserve:** 75.7 Mt @0.91% Ni and 0.1% Co
- Mine Life:** +20 years at 3.4 Mtpa throughput

Laterite Ore – Limonite/Saprolite

- Open Pit:** Free digging
- Strip Ratio:** Low cost at 0.28:1 strip ratio
- Slurry:** 135km pipeline to Basamuk

Ramu Nickel Snapshot

Construction and Deliveries almost complete



Process and Production

Production: 31,150tpa Ni + 3,300tpa Co

Process: HPAL with 3 autoclaves

Recoveries: 85% Ni and 85% Co

Wet versus Dry Laterites

Ramu is a “Wet Laterite” this is different to “Dry laterites” such as Bulong Cawse, Ravensthorpe, Murrin Murrin.

Bottom-line is lower cost processing, simplified grade control, lower acid consumption

Energy & People

Power: 90 Megawatts

Employees : 1200 when in production

Ramu - Construction and Commissioning

Mine, power, pipeline, autoclaves in place

Mine

Production ramping up in 4th Quarter 2010
Wharf capable of berthing 50,000 DWT vessels

Slurry Pipeline

Completed and majority buried
Active on-line monitoring to detect early leaks or blockages

Powerplant

Wartsila power plant with an installed capacity of 60MW at Basamuk and 30MW at Kurumbukari.
Standby boiler for backup process heat at Basamuk

Autoclaves

Lined with high TR17 grade titanium for long life and low maintenance
Industry standard agitators and pumps with back-up fail safe monitoring systems



Ramu Nickel Project

Progressing to commissioning

Kurumbukari – 100km from Madang



Madang Offices



Wharf



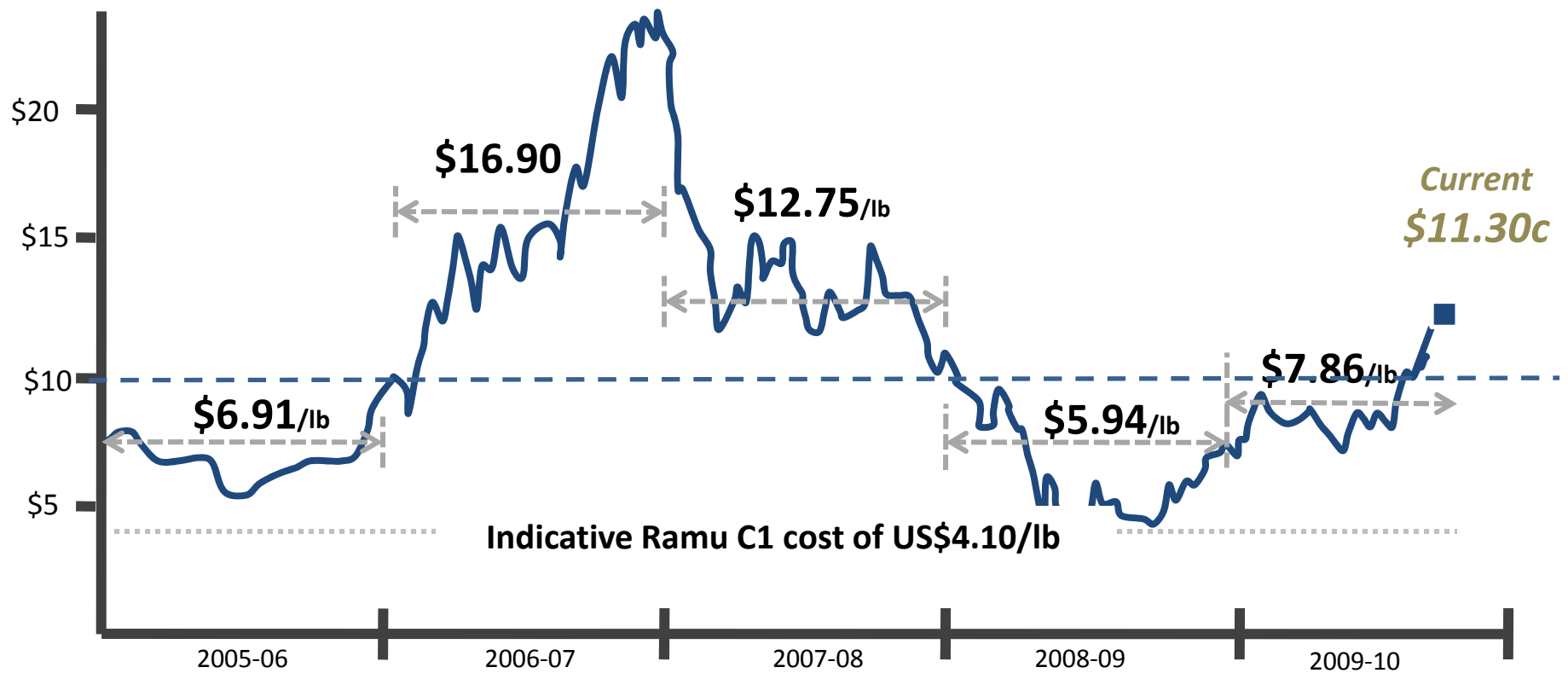
Basamuk Refinery - 75km from Madang



Ramu Nickel Economics

Mid-tier cash costs would have carried Ramu through GFC

The 5 year average nickel price is approx \$10/lb
Ramu Costs - Indicative US\$4.10/lb

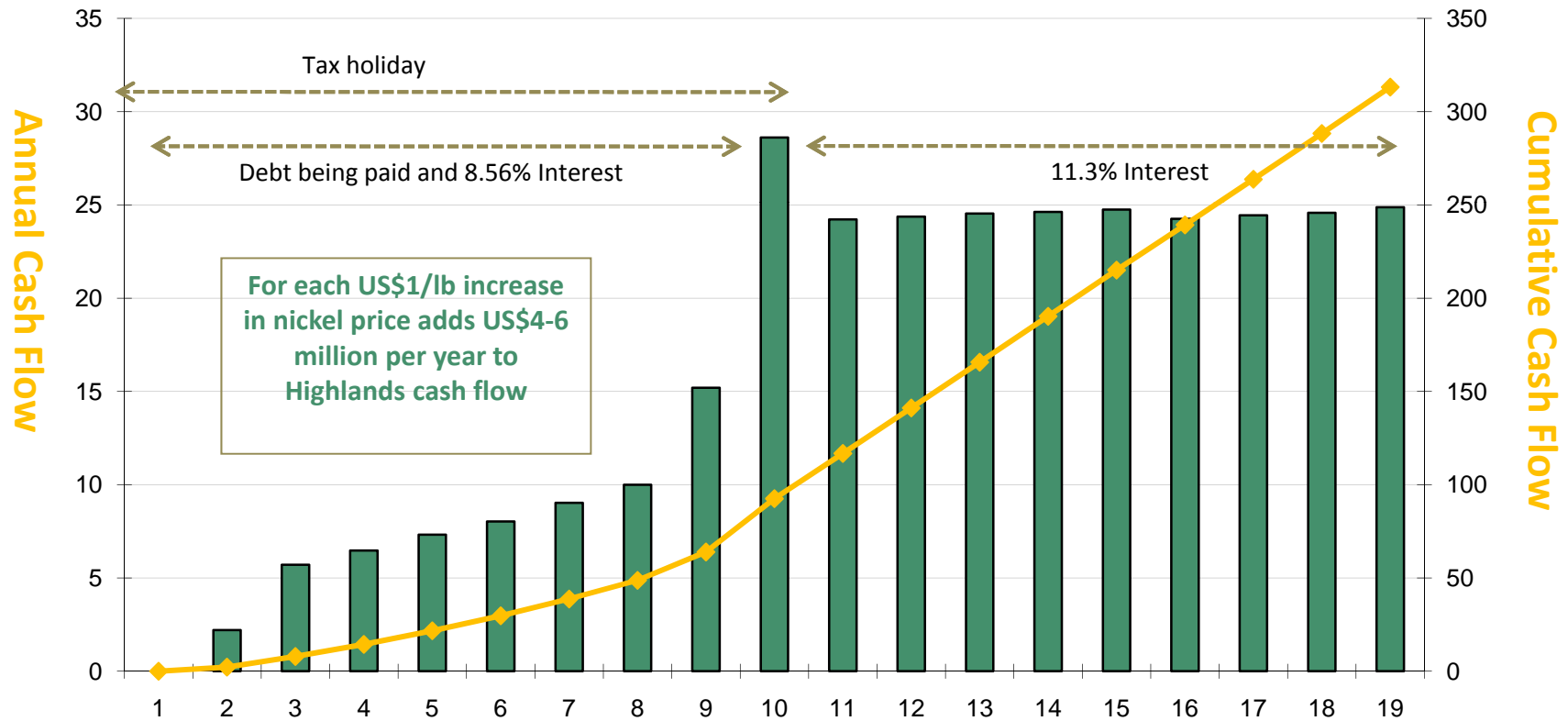


Source: ABARE. 2009-10 is nine months to 31 March. Indicative Ramu Cash Cost is based on US20c/lb cobalt credit

Ramu - potential share of cash flow

Based on conservative US\$8/lb Ni and US20/lb cobalt

Highland's share of cash flow - US\$10-25m pa in future years



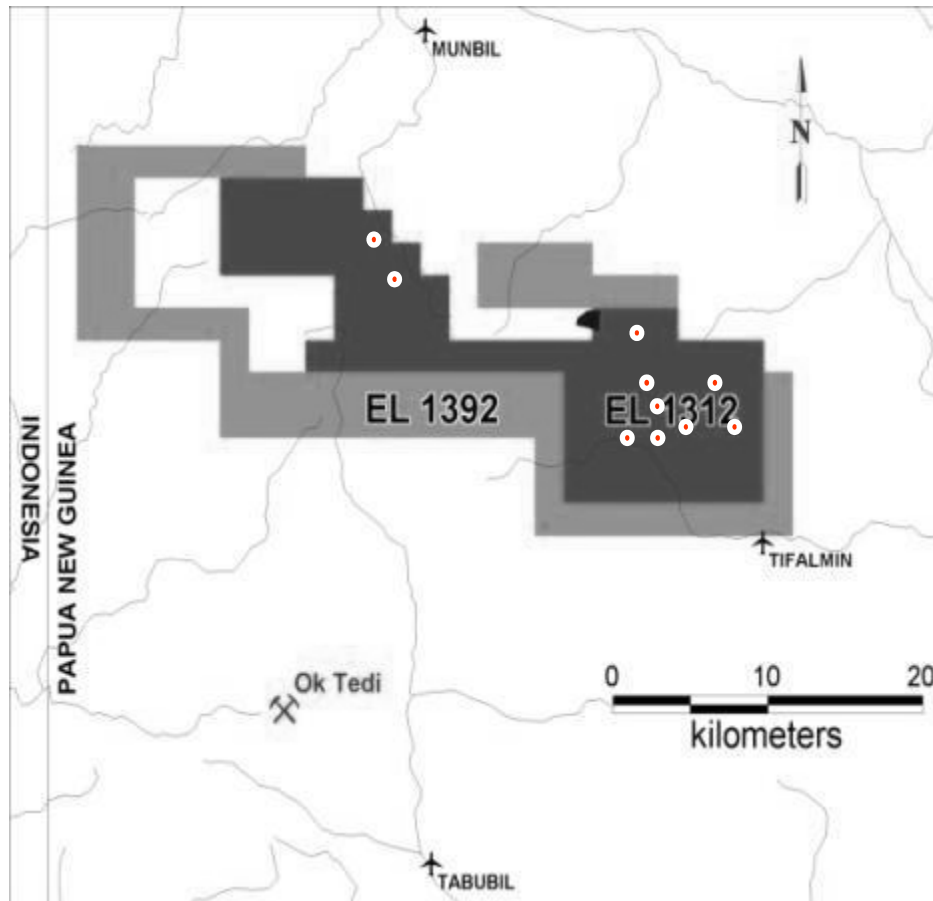
Star Mountains Project



STAR MOUNTAINS EXPLORATION PROJECT

Star Mountains Exploration Prospects

Location - EL 1312 & EL 1392



Location

20Km NE of Ok Tedi.

Prospect - High potential

- Cu/Au porphyry deposit.
- Exploration program underway
- Highlands 100%
- EL1312 subject to Xstrata claw back
- Drilled by Kennecott in 1970s.

2010 Program to include

- Initially a US\$3M exploration program
- 2,500km of airborne electromagnetic
- 2,400m of diamond drilling

Great potential and so close to Ok Tedi

Star Mountains Exploration

Then and Now

Kennecott in 1970s

While a great achievement in the 1970's today we take these further with modern technology

DDH 1: 22m (78m to 100m) @ 0.28% Cu
and 0.3 g/t gold

DDH 2: 94m (94m to 190m) @ 0.36% Cu
and 0.6 g/t gold

DDH 3: 89m (16m to 105m) @ 0.6% Cu
and 0.4g/t gold

DDH 4: 90m (24m to 107m) @ 0.66% Cu
and 0.35 g/t gold



Highlands in 2010... today we can use

- ✓ Logistics - Tifalmin and Ok Tedi base
- ✓ GPS - Location finding
- ✓ Airborne - Gravity and Magnetic
- ✓ Drilling - RAB and RC
- ✓ Assays - weeks not months

Star Mountains Project - Exploration

Olgal Drill Pad

EL 1312 and EL 1392

- Highlands 2010 exploration budget for EL 1312 and 1392 - USD 3 M
- Airborne Geophysics - USD 0.75 M
- Scout Drilling - USD 2.25 M

**First drill results expected
in June- Aug 2010**



Highlands Pacific

Our Investment Case. Four Good Reasons.



1# Ramu - Near term cash

- Size – 31Ktpa Ni production,
- Capex - US\$1.4B. No recourse to HIG
- C1 Cash costs US\$4.10/lb

2# Frieda - Significant copper asset

- Size - Top 10 Greenfield project
- Strategic equity interest of 18.18%
- Xstrata to carry Highlands to Feasibility
- Cash costs amongst best in world

3# Star Mountains - Location Location!

- US\$3M exploration campaign
- 20km NE of Ok Tedi

4# Cash: at bank - US\$22m

- No debt no hedges
- And no Australian super resources tax

Contact Us

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Appendices

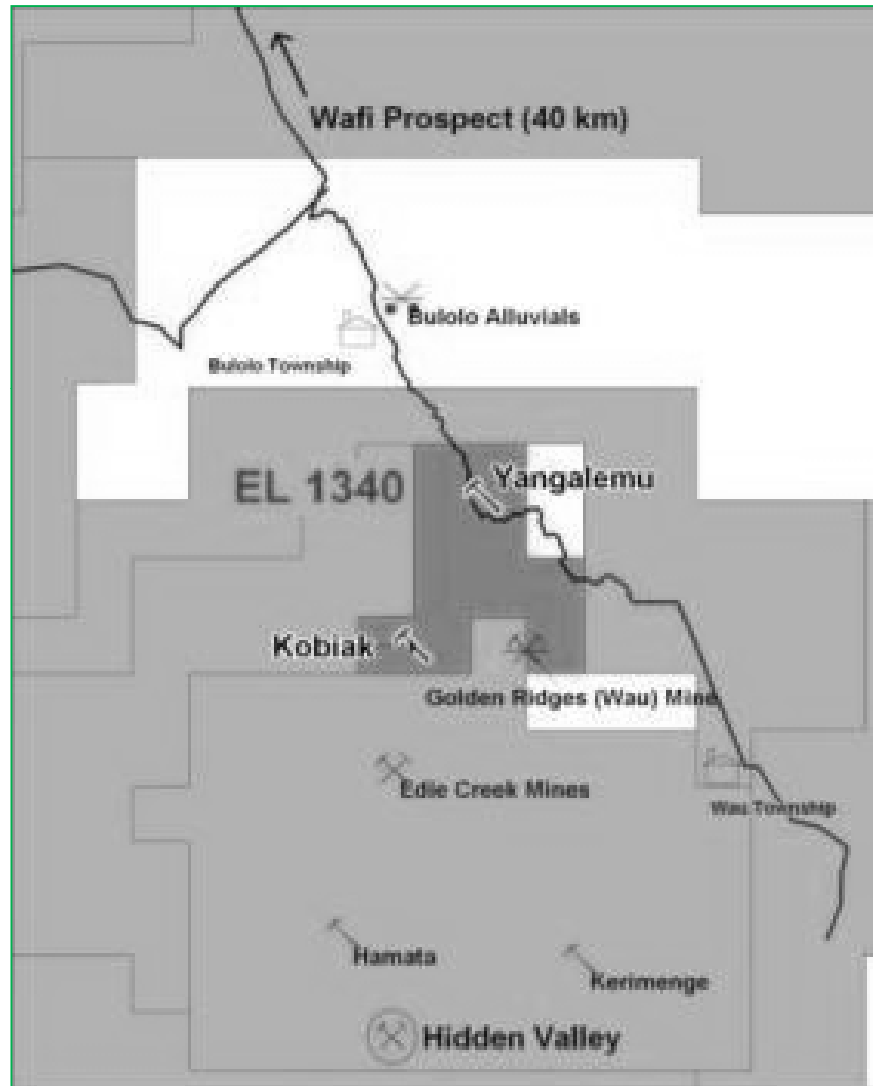
Resources, Reserves, Photos



Appendices

Wau Exploration Prospect – EL 1340

Upside potential



Location

- Within historic Wau-Bulolo Goldfield
- 5kms away from Kerimenge, Hamata and Hidden Valley deposits. (5M oz Au)

Prospect

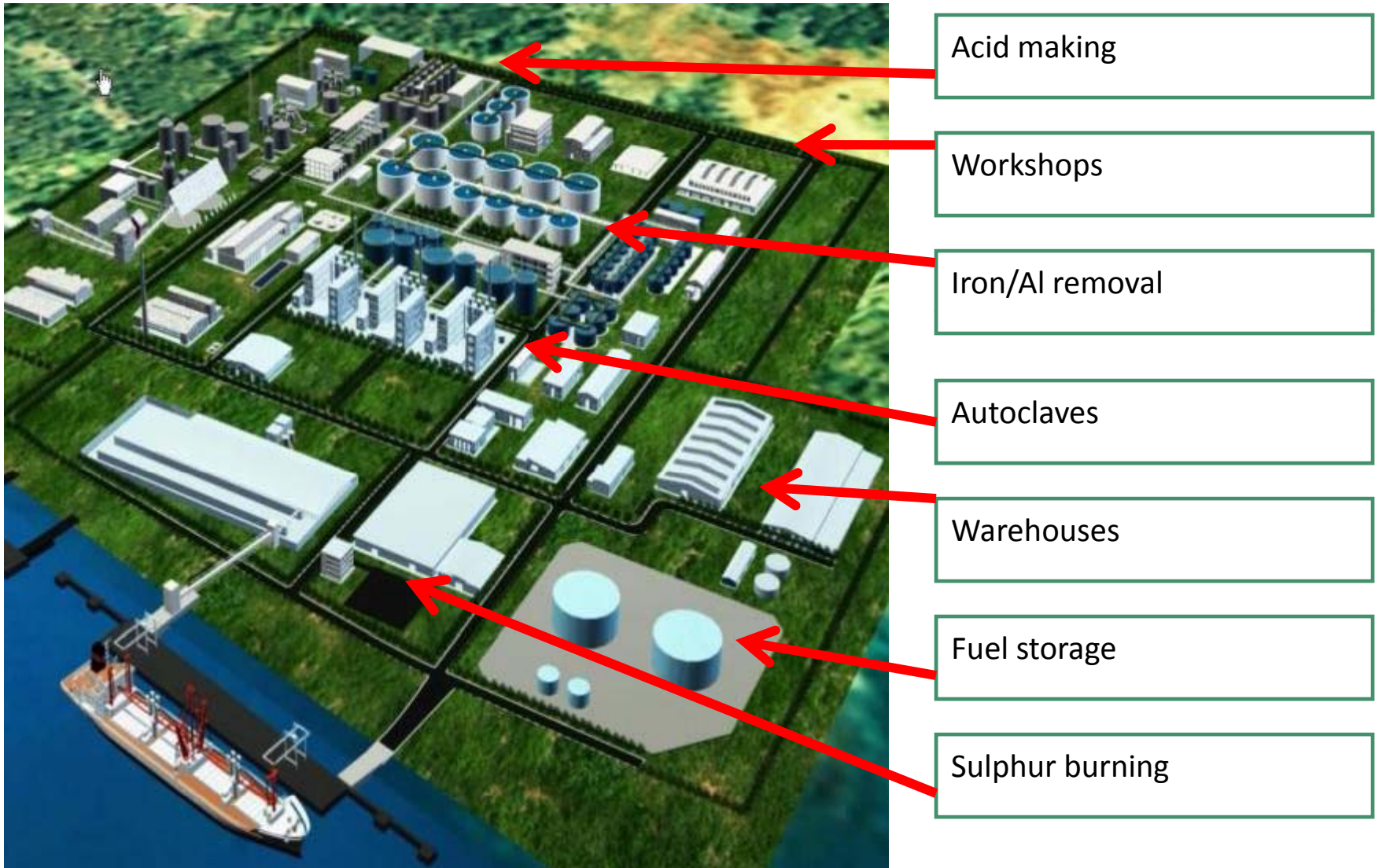
Although a small EL it contains two significant high-grade shallow level epithermal Au prospects, Yangalemu and Kobiak.

Program 2008-9

- US \$1.5m
- 1392 metres drilled

Ramu Nickel

Project layout



Ramu Nickel

Finance Structure - No recourse to Highlands



- Capex:** US\$1.4B. (Including financing costs during construction).
- Structure:** 75% debt & 25% equity. Equity funding free carry.
- Repayment:** By 2017 from cash flow.
- Tax:** JV 10 year tax holiday
- Security :** Debt funding arranged and secured by MCC.
- China Syndication:** US\$560M China Exim Bank, US\$470M Shareholder loan from the Chinese Syndicate
- Non recourse:** Non Chinese JV partners have debt portion of capex capped at approx US\$950M.

Ramu - Ore Reserves

Proved and Probable – 75.7 Mt @ .91% Ni + .1% Co

Ore Reserves

An ore reserve was designated from part of the mineral resource, reported above, during the feasibility study and has subsequently been reviewed and confirmed by SRK Consulting.

Category	Mt	Ni%	Co%
Proved	39.7	0.88	0.10
Probable	36.0	0.94	0.09
TOTAL	75.7	0.91	0.10

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Frieda District - Koki Deposit

Inferred Resources

Koki Deposit –Estimated Mineral Resource using a 0.2% copper cut-off

Koki Deposit – Identified Mineral Resource (Inferred)

Mt	Cu%	Au g/t
274	0.44	0.3

Notes:

The Koki deposit has been intersected by 30 drill holes on a nominal 150 m x 300 m grid.

The resource information for Koki is based on information compiled by Lawrence Queen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Queen is a full-time employee of Highlands Pacific and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Queen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Frieda District - Nena Deposit

Indicated and Inferred Resources

The Nena, Horse/Ivaal/Trukai and Koki deposits are now estimated to collectively contain approximately 14.9 billion pounds (7.4 million tonnes) of copper and 11.1 million ounces of gold.

The resources at the Nena and Frieda River deposits are summarised in the tables below:

Resource Class	Tonnes (Mtn)	Cu %	Au g/tn	As (%)	Sb ppm
Indicated	37	2.67	0.63	0.21	143
Inferred	14	1.80	0.42	0.13	86
Total	51	2.43	0.57	0.19	127

Notes:

Copper resource – lower cut off grade 0.5% copper,

Mineral Resources stated herein are based on the “Nena 2008 Conceptual Stage Resource Model”

These figures are constrained by topography; no economic pit has been applied to constrain the estimate. Numbers have been rounded for tabulation.

The information in the report that relates to Mineral Resources presented in Tables 3 is based on information compiled by Mr Raul Roco, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Roco is a full-time employee of Xstrata Copper entity. Mr Roco has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the estimation of Mineral Resources to quality as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Roco consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Frieda District – Horse Ivaal Trukia

Measure, Indicted and Inferred Resources

Horse-Ivaal-Trukai deposit estimated Mineral Resource using a 0.3% copper cut-off

Category	MT	Cu(%)	Au(g/t)	Ag(g/t)
Measured	30	0.60	0.32	0.7
Indicated	390	0.57	0.33	0.8
Inferred	640	0.51	0.26	0.8
Total	1060	0.53	0.29	0.8

Notes:

Mineral Resources stated are based on “HIT 2009, pre-feasibility Resource Model”. These figures are constrained by topography and an economic pit calculated with Measured, Indicated and Inferred resources. Numbers may not be exact as they are rounded for tabulation.

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