



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

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## UPDATE - RAMU NICKEL - CONSTRUCTION RESUMES

Highlands Pacific Limited (ASX: HIG) is pleased to advise that construction has fully resumed at the Ramu nickel cobalt project in Papua New Guinea following rectification of a number of health and safety issues.

Highlands has been notified by its Ramu project partner and manager, RamuNiCo Management (MCC) Ltd, that work has returned to normal following a review of safety processes and procedures.

The site-specific improvements, which focused on compliance in some areas of the project, have not impacted the overall construction timetable and commissioning of the world-class project is still expected to commence later this year.

Highlands Pacific's Managing Director Mr John Gooding said today, "The Company is pleased that work is back to normal and the safety review has not unduly delayed the construction and commissioning timetable. Health and safety is always of paramount importance and we support the initiatives that will improve the awareness and safety of employees. While civil works and working within height limits have been ongoing for the past week, full activity has now resumed."

Mr Gooding said that Highlands welcomed the safety review and was supportive of the way Ramu NiCo Management (MCC) Ltd and the PNG Mineral Resource Authority, through the Chief Inspector of Mines, had worked through the issues.

### **About Highlands Pacific Limited:**

Highlands Pacific is listed on the ASX and PoMSOX exchanges. As at 14 August 2009 it had a market capitalisation A\$88 million and held A\$27m (US\$22m) in cash. Its major development assets are holdings in two of Papua New Guinea's major resource assets - the US\$1.37bn Ramu nickel cobalt project and the Frieda River copper gold project, of which Xstrata has spent approximately US\$50m in the past 18 months.

### **About the Ramu Nickel Cobalt Project:**

The Ramu nickel cobalt project is located 75 km west of the provincial capital of Madang, PNG and will produce an annual output of 31,500 tonnes of nickel and 3300 tonnes of cobalt contained in high grade concentrate over a 20 year mine life. The mineral resources at Ramu have the potential to increase the mine life by a further 15-20 years. The project is currently in construction phase with commissioning due to commence by the end of 2009. Highlands has an 8.56% interest in the Ramu project which will increase to 11.3% at no cost to the Company after debt raised to finance the project has been repaid from operating cash flow (estimated to be 10 years). From commissioning, Highlands is able to have access to its pro-rata 8.56% share of Ramu's post-debt servicing net cash flow. Highlands also has an option to acquire an additional 9.25% at fair market value which could increase its interest to 20.55%.

[www.highlandspacific.com](http://www.highlandspacific.com)

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