



16 November, 2009

Update: Ramu Nickel Cobalt Project, PNG Commissioning on track

ASX Code: HIG
PoMSox Code: HIG
Shares on Issue: 660 million
Options on Issue: 95 million

Directors

Ken MacDonald, *Chairman*
John Gooding, *Managing Director*
Ian Burvill
Mike Carroll
Rod Mitchell
Fiu Williame-Igara

Management

Craig Lennon, *CFO & Co.Sec*
Larry Queen, *Chief Geologist*
Terry Smith, *GM Mining & BD*
Peter Jolly, *GM Projects*

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Highlands Pacific confirms construction and pre-commissioning activities at the \$US1.4bn Ramu nickel cobalt project is progressing well and a staged commissioning is expected to commence in December 2009 as previously reported.

A three to six month commissioning period will see first commercial nickel production commence in mid-2010 with the staged ramp-up of three high pressure autoclaves during the second half of 2010.

Highlands Pacific Managing Director Mr Gooding said today "contrary to some erroneous media reporting recently there is no delay to construction and a quote attributed is not a spokesperson for the project.

"Having recently been to PNG, the Ramu project is proceeding well, the construction and pre-commissioning work is consistent with what the Company has been saying for some time and it is unfortunate that it has been reported in a negative way."

About the Ramu Nickel Cobalt Project:

The Ramu nickel 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 repayment of the debt raised to finance the project has been completed 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%.

About Highlands Pacific Limited:

Highlands Pacific is listed on the ASX and PoMSox exchanges. As at 13 November 2009 it had a market capitalisation of A\$244 million and held approximately A\$25m (US\$23m) in cash. Its major development assets are holdings in two of PNG's major resource assets - the US\$1.37bn Ramu nickel cobalt project and the Frieda River copper gold project, where Xstrata have spent approximately US\$47m in the past 18 months. Highlands is also due to commence exploration on the highly prospective Nong River and Tifalmin licenses approximately 20km north of Ok Tedi.