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ASX Announcement – 20 September 2007

The Companies Announcement Office
Australian Stock Exchange
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dears Sirs

NICKEL COLUMN TEST RESULTS – INCREASED EXTRACTIONS BOOST PFS BOTTOM LINE

The Company is pleased to advise that it has received final reconciliation of mass balance results for the residual agglomerates from the large scale column test work completed in March.

Final reconciliation has shown Nickel extraction rates listed in the following are significantly higher than previously reported. (Refer ASX announcement 1 March 2007)

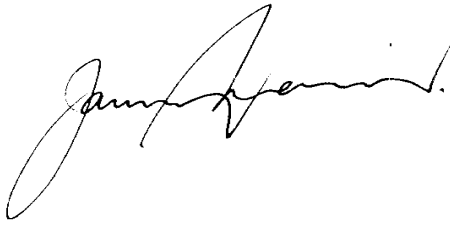
An updated financial model based on the PFS utilizing the higher Nickel extraction rates has now been completed. The key effects of the increased Nickel output when applied to the financial model are summarized as follows.

- **Average Annual Nickel Production up 1,053t to 14,200t**
- **Operating Costs down to US\$2.37/lb (after Co credits)**
- **Operating Surplus increases to \$4.7 billion**
- **Pre Tax NPV up \$210 million to \$1.68 billion**

Final Nickel extraction rates for the respective column tests.

| Test Work 4 Metre Columns | Column Head Grade % Ni | % Ni Extraction 1-Mar-07 | Reconciled % Ni Extraction 18-Sep-07 | % Ni Extraction Increase |
|--------------------------------------|---------------------------------------|---|---|---|
| Hepi #1 | 1.74 | 76.6 | 82.6 | 7.83% |
| MK North #1 | 1.29 | 78.2 | 80.5 | 2.30% |
| MK Central #1 | 1.37 | 73.2 | 78.8 | 5.60% |
| Mk North #2 | 1.12 | 71.3 | 81.3 | 10.00% |

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jamie Sullivan', written in a cursive style.

Jamie Sullivan
Managing Director