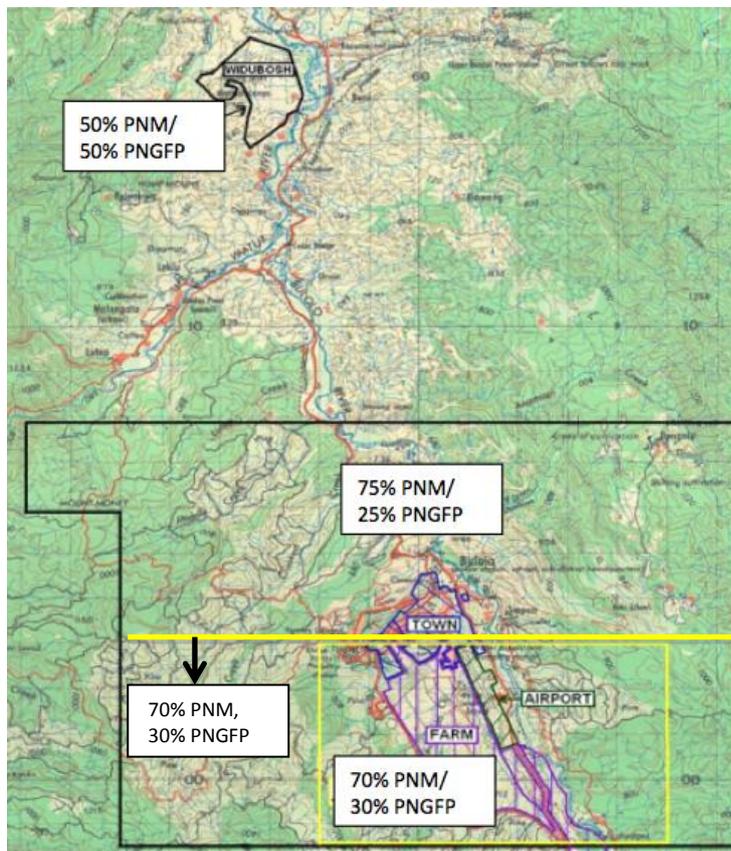


11th April 2012

Pacific Niugini enters into Joint Venture agreement with PNG Forest Products

The board of Pacific Niugini Limited (PNR), through its wholly owned subsidiary Pacific Niugini Minerals (Bulolo) Limited (PNM), is pleased to advise that it has completed joint venture agreements with PNG Forest Products (PNGFP), which consolidate the respective parties gold interests in the Bulolo area of the Morobe province, Papua New Guinea.

The formal agreement maintains key terms of the joint venture, which were previously set out between the parties, and reported to the market on the 10th of October 2011. PNGFP will



transfer a 50% interest in their 100% owned mining Lease ML457 "Widubosh" to PNR. At the same time, PNM will transfer a 25% registered interest in EL1616 "Bulolo" to PNGFP.

PNGFP will have participating interests of 30% over areas south of the Bulolo town area (primarily covered by pastoral licences owned by PNGFP), and a 25% participating interest in other areas of EL1616.

The transfers require ministerial approval, however the agreements allow for the parties to operate under commercial terms until the required transfers take place.

The tenement areas are managed by PNR under three separate JV agreements being Widubosh (PNR 50%), Bulolo Farm (PNR

70%), and EL1616 (PNR 75%). Both parties are to contribute to testing and project development costs according to their participating interest.

During the period of finalisation of the Joint Venture documentation, the parties have worked together in good faith to rapidly progress the technical assessment of the tenement areas.

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Bulk sampling and drilling at Widubosh has been completed, and bulk sampling and drilling of the Farm JV area has commenced.

At Widubosh, excellent progress has been made with excavation and processing of 26 test pits, drilling of 5 test holes, site surveys and surface geological mapping all being completed since the site was first accessed in December 2011.

Approximately 13 tonnes of bulk testing concentrates have been dispatched to the Burnie Research Laboratory in Tasmania, with results pending. Panning and visual inspection of concentrate samples has confirmed the recovery of very fine to coarse free gold.

Pacific Niugini is currently focussing on completing test work on bulk samples, obtaining environmental approval to recommence production at Widubosh, and on the re-configuration of its existing processing plant, with a view to being able to commence production towards the end of 2012.

Cooperation between the parties has ensured that the Widubosh testing program was completed, and testing at Bulolo was commenced prior to formal agreements being completed. This action will ensure that optimal project scenarios, as well as any requirements for further testing can be identified in the shortest possible time frame, bringing forward ultimate production commencement dates.

Managing Director, Paul Cmrlec commented "During this initial period of working together, PNGFP has demonstrated its desire to identify feasible project options and to proceed to production in a timely manner. They have assisted the JV through provision of goods and services, as well as providing local operating knowledge."

"Pacific Niugini is pleased that the management of both parties have been able to reconcile early differences which saw delays to the project, without intervention of the courts or third parties. Formation of the Joint Venture means that both parties can now focus on testing and then developing the project areas, to bring the historic Bulolo region back to significant gold production."

"We look forward to further developing our working relationship with PNG Forest Products, and believe that the partnership will capitalise on the respective strengths of both companies to produce optimal project outcomes."

Ends.

The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr. David Osikore (B.Sc. Geol) MAusIMM who is a full time employee of Pacific Niugini Limited. Mr. Osikore 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 described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Osikore consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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