



15 September 2010

Company Announcements Office
Australian Stock Exchange Limited
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

PRESS RELEASE

AMCOL settlement of final 47% of Ruighoek Chrome Project

Pacific Niugini Ltd (ASX:PNR) is pleased to advise that New York listed corporation AMCOL (NYS:ACO) has exercised their call option to purchase the remaining 47% of the Ruighoek Chrome Project in South Africa and has paid the outstanding sum of US\$12.4 million in full and final settlement.

Under the previously announced agreement, the settlement of the sale of the final 47% interest in Ruighoek Chrome Project, South Africa was subject to a call and put option arrangement between AMCOL and PNR, whereby AMCOL had until February 2011 to acquire the remaining interest. For each month it deferred the payment in this second year of the Call Option it paid PNR an option fee of US\$150,000.

PNR has received a net cash amount of US\$11.5 million after withholding taxes were paid. Further, following this settlement, the option fee payable by AMCOL to the Company of US\$150,000 per month has ceased and the Company no longer has any interest in the Ruighoek Chrome Project in South Africa.

The Company did not anticipate the early settlement of the transaction. Following a recently completed placement of 30.45 million shares at \$0.20 to raise a gross \$6.09 million,

Pacific Niugini Limited
ABN: 30 003 207 467

Telephone: +61 (7) 3367 3996
Fax: +61 (7) 3368 2998
Email: admin@niugini.com.au
Web: www.niugini.com.au

Postal Address:
PO Box 1578
Toowong QLD 4066
Australia

Head Office:
Unit 14, 46 Douglas Street
Milton QLD 4064
Australia

the additional AMCOL funds significantly add to the Company's cash reserves as it continues to explore and assess development of its projects in PNG.

PNR's cash reserves currently stand at approximately A\$21 million and the Company has no debt.

Yours faithfully,

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

Dennis Lovell - Company Secretary

Pacific Niugini Limited
ABN: 30 003 207 467

Telephone: +61 (7) 3367 3996
Fax: +61 (7) 3368 2998
Email: admin@niugini.com.au
Web: www.niugini.com.au

Postal Address:
PO Box 1578
Toowong QLD 4066
Australia

Head Office:
Unit 14, 46 Douglas Street
Milton QLD 4064
Australia