

Cluff Resources Pacific NL

ABN 72 002 261 565

21 May, 2004

The Manager (Companies),
Australian Stock Exchange,
Sydney, NSW, 2000.

Dear Sir,

VALUES OF GLOUCESTER RUBIES

The Company has become aware of an article written in 'Australian Jeweller' magazine (May 2004 issue) which gives specific information with regard to the values of rubies mined by the Gloucester Ruby Project. The Company feels this information to of interest to the sharemarket, and a transcript of the relevant section of the article is reproduced below:

'GEMS – AN INDUSTRY UNFOLDING' by Deborah Yonick

NEW SOURCES

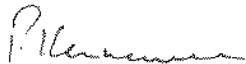
Meanwhile, phase one of a three-phase mining project is complete for Australia's first major ruby deposit. Located in New South Wales, on a property owned by media mogul Kerry Packer, the mine is being developed under agreement with Cluff Resources Pacific, which had been digging test trenches on the land since 1999. Packer's company, Consolidated Press Holdings Limited (CPH), purchases all mined corundum and processes and markets the stones through an exclusive agreement with New York City-based gem cutters and dealers Manning International.

"Our goal is to develop the deposit as a single source of highly refractive, very clean, completely untreated natural fancy colour sapphire and ruby," says Gerry Manning of Manning International. He also notes that distribution will be highly selective. Colours range from white to pink to red in three grades wholesaling from US \$45 to US \$800 a carat.

Further enquiries as to the value of the rubies are referred to www.premacut.com, the website for the cutting factory contracted by CPH to cut the Gloucester ruby and sapphire. This displays a pricelist for the wholesale purchase of natural ruby and sapphire of the cut and quality to which the Gloucester Ruby Project aspires. The prices indicated on the site are consistent with Mr. Manning's statement.

The value of any gemstone is dependent on the four Cs of colour, clarity, cut and carat. Despite the world class cutting standards achieved by Premacut, there is a large variation in the other three characteristics within the Gloucester gemstones, and accordingly values vary greatly from stone to stone. As part of Phase 2 operations, which have recently commenced, Manning International is now classifying over 200,000 gemstones cut during Phase 1 to determine the proportions which fall into each value category. When completed, and the results known, the question of the average value of these gems will have been answered. CPH is also actively working on a plan to place the stones in the wholesale jewellery market.

Yours faithfully,



Peter Kennewell,
Managing Director

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