



**ANNOUNCEMENT PORT MORESBY STOCK
EXCHANGE**

**ACQUISITION BY BANK OF SOUTH PACIFIC
LIMITED OF THE NATIONAL BANK OF
SOLOMON ISLANDS LIMITED**

The Chairman of the Board of Directors of Bank of South Pacific Ltd, Mr Noreo Beangke, confirmed that all the conditions precedent for the purchase of the National Bank of Solomon Islands Limited have been satisfied and the acquisition will be settled as at close of business on Friday 27 April 2007. The Bank will continue to trade as the National Bank of Solomon Islands Limited, but will be transitioned across to a Bank of South Pacific Limited Branch over the next 3 to 6 months.

Consideration for the settlement of the transaction is by way of the issue of new Bank of South Pacific Limited shares. In this regard the Board has authorized the issue of 4,990,771 ordinary shares in full settlement with the relevant vendors.

Mr Beangke commented that the Solomon Islands undertaking is acquired as a going concern, is profitable and is subject to a comprehensive transformation program during the remainder of 2007. Amongst enhancements to be introduced will be the various Bank of South Pacific Limited electronic banking products. These will enhance customer service capacity. Current Manager Retail, Mr Mark Corcoran will assume the role of Country Head, Solomon Islands, replacing outgoing Managing Director Mr Peter Goodwin who retires as at acquisition date. Mr Beangke paid tribute to the significant contribution made to the growth and development of the National Bank of

Solomon Islands Limited by Mr Goodwin and to his commitment in assisting to bring the acquisition by Bank of South Pacific Limited to a successful conclusion.

A handwritten signature in black ink, appearing to read 'N. N. Beangke', with a long horizontal flourish extending to the right.

N. N. BEANGKE

Chairman

Port Moresby

27 April 2007