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## **AUSTRALIAN SOLOMONS GOLD PROVIDES AN UPDATE ON ITS NON-BROKERED PRIVATE PLACEMENT AND ANNOUNCES MANAGEMENT CHANGE**

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**(TSX:SGA) TORONTO, Ontario (December 4, 2008)** - Australian Solomons Gold Limited ("ASG" or the "Company") is pleased to provide an update on its previously announced non-brokered private placement (the "Private Placement") of US\$10 million of ordinary shares ("Shares") at a price of C\$0.30 per Share to Resource Capital Fund III L.P. ("RCF III").

The Private Placement was approved by a majority of ASG's disinterested shareholders at the Company's annual meeting held on November 25, 2008, and RCF III has agreed all conditions to the completion of the Private Placement have been satisfied, other than customary closing deliveries.

The closing of the Private Placement is expected to occur on or about January 30, 2009, or such other date as may be agreed by the Company and RCF III. The proceeds of the Private Placement will be used to finance the acquisition of long lead items for the development of the Gold Ridge Project and for general working capital.

The Company also announces that John Blake has tendered his resignation as Chief Executive Officer and David Roach has taken over as CEO effective December 5, 2008. On his departure John Blake said "I have enjoyed my time with Australian Solomons Gold, however, for personal reasons have decided to step down. I wish David and the management team all the best as they go forward."

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares in the United States. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

### **About ASG**

ASG is developing the Gold Ridge Project, a former producing mine, located on Guadalcanal in the Solomon Islands. The mine operated from August 1998 to June 2000 and produced approximately 210,000oz gold during this period. ASG acquired the project in May 2005 and has completed a Feasibility Study to redevelop the Gold Ridge Project which is planned to commence operations by 2010 subject to the approval of project financing.

### **Cautionary Statement Regarding Forward-Looking Information**

All statements, trend analysis and other information contained in this press release relative to markets for ASG's trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other

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factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Some of these risks, uncertainties and other factors are described under the heading “Risk Factors” in the Company’s annual information form available on [www.sedar.com](http://www.sedar.com). ASG does not undertake any obligation to update forward-looking statements even if circumstances or management’s estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.

**The Toronto Stock Exchange has neither approved nor disapproved the contents of this press release.**

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