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AUSTRALIAN SOLOMONS GOLD LIMITED PRICES PREVIOUSLY ANNOUNCED PRELIMINARY SHORT FORM PROSPECTUS FINANCING

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TORONTO, Ontario – July 7, 2009 – Australian Solomons Gold Limited (“ASG” or the “Corporation”) (TSX: SGA) has entered into an agency agreement with Paradigm Capital Inc., Haywood Securities Inc. and Fraser Mackenzie Limited (collectively, the “Agents”) in respect of the best efforts offering of ordinary shares contemplated by the Corporation's preliminary short form prospectus dated June 17, 2009. Under the terms of the agency agreement, the Corporation will offer up to 25,900,000 ordinary shares at a price of C\$0.30 per ordinary share for gross proceeds to the Corporation of up to C\$7,770,000.

The Corporation anticipates filing a final prospectus in respect of the offering on July 7, 2009 with closing expected to occur on or about July 14, 2009.

The Corporation intends to use the net proceeds of the offering to advance the Gold Ridge project including resettlement activities, dewatering of the tailings dam, development team procurement, and for working capital and general corporate purposes.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, the ordinary shares in any jurisdiction, including the United States, or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption therefrom, nor shall there be any sale of the ordinary shares in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. The ordinary shares being offered will not be, and have not been, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person, absent U.S. registration or an applicable exemption therefrom.

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 expected to commence operations during 2010.

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

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“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 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. 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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