



AUSTRALIAN SOLOMONS GOLD UPDATE ON GOLD RIDGE PROJECT FINANCE FACILITIES

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(TSX:SGA) TORONTO, Ontario (8 April 2008) - Australian Solomons Gold Limited (“ASG” or the “Company”) today announced an update on its project financing efforts.

ASG has been working with selected banks to secure financing to develop the Gold Ridge Project. The Company proposes to develop the project with finance provided in the form of bank debt, equipment leasing, and equity financing. The proposed syndicate of lenders to the project require Political Risk Insurance (“PRI”) for the project debt and equipment leasing facilities. The process of obtaining PRI requires extensive due diligence by insurance providers, particularly in regard to Environment and Social issues affecting the Gold Ridge Project. This work is well advanced.

The change in Governments in Australia and the Solomon Islands in late 2007 has improved the political environment between the two countries allowing the due diligence phase to re-commence in January 2008. However, and notwithstanding good progress with detailed due diligence, ASG has recently been advised that the remaining process requires an independent review of social reports and plans, followed by a public disclosure period of social and environmental reports, and a final review, resulting in an offer of PRI now being expected by September 2008. Consequently debt financing is not expected to be in place until formal PRI approval in September 2008. The debt financing approval process is running in parallel with the PRI approval process, and it is anticipated that credit approval for the debt facilities will be approved before the approval of PRI, although be subject to the provision of PRI.

ASG continues to make good progress with other preliminary works being carried out at site, which includes refurbishment of the 150-man accommodation camp at site, which is nearing completion. The Company is also receiving very good support from the both the Local Community and Government of the Solomon Islands in working towards the commencement of production at Gold Ridge. The Prime Minister of the Solomon Islands and key Ministers have recently visited the project and the Cabinet of the Solomon Islands has received a formal presentation on project requirements and benefits expected to the local economy. The revised time line for project financing and PRI will however impact on the proposed development schedule. The current estimate for commissioning of the Gold Ridge Project is now 1st quarter 2010.

While this process continues ASG will focus on drilling activities in the Charivunga Mineralised Zone aimed at increasing the gold resource base. ASG has sufficient funds to continue these activities until project financing is in place and redevelopment of Gold Ridge commences.

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 by 1st quarter 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 "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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