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AUSTRALIAN SOLOMONS GOLD ANTICIPATED DELAY IN PROJECT DEBT FINANCING

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(TSX:SGA) TORONTO, Ontario (October 16, 2008) - Australian Solomons Gold Limited ("ASG" or the "Company") today announced delays in securing project debt financing for the redevelopment of the Gold Ridge Project.

The anticipated delay is a direct result of the global credit crisis currently being experienced in the banking and financial markets. The delays in securing project debt financing will postpone the previous estimate on commencement of production at Gold Ridge scheduled for Q1 2010 to a later date. ASG will provide advice on a revised development and production schedule when a level of certainty has returned to the banking and financial markets

The Company continues to work with its banks and finance institutions to secure a syndicate of lenders to provide project debt finance for the redevelopment of the Gold Ridge project.

The company still enjoys the full support of the all stake holders and will continue to work with all parties to ensure the redevelopment at the earliest possible time.

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.

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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