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N E W S R E L E A S E

AUSTRALIAN SOLOMONS GOLD SIGNS MANDATE LETTER WITH EUROPEAN INVESTMENT BANK

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(TSX:SGA) TORONTO, Ontario (June 18, 2009) - Australian Solomons Gold Limited (“ASG” or the “Company”) today announced it had signed a Mandate Letter with the European Investment Bank (EIB). Pursuant to the Mandate Letter the EIB is considering investing US\$25 million to assist the financing required to redevelop the Gold Ridge Project, located on the island of Guadalcanal in the Solomon Islands. The proposed investment remains subject to internal approvals, completion of a public disclosure period of 30 days, loan documentation, and the EIB Board of Directors approval.

The proposed EIB investment of US\$25 million complements the Mandate Letter signed with International Finance Corporation for US\$30 million and completes the proposed project debt facilities proposed for the redevelopment financing plan.

The Chairman of ASG, Stephen Everett, noted “We welcome the formal involvement of the EIB to assist in the redevelopment of Gold Ridge which will greatly enhance the economic activity in the Solomon Islands, and reward all stakeholders in this much awaited redevelopment of the local mining industry there. Along with the International Finance Corporation, the EIB facility will complete the debt financing plan for the project”.

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.

EIB Activity in Africa, Caribbean and Pacific

The European Investment Bank (EIB) is the long-term lending institution of the European Union. The EIB is instrumental in implementing the EU's development and economic cooperation policy in countries outside the Union. The Bank has been a development partner in many African, Caribbean and Pacific (ACP) countries since 1963 through a series of lending mandates from the European Council. The current mandate is based on the Cotonou Agreement of June 2000. EIB loans in the ACP regions support the alleviation of poverty and the development of sustainable economic growth. The Bank lends from two sources - EIB own resources and the Investment Facility, a revolving fund financed by the EU Member States through the European Development Fund. For more information, visit www.eib.org.

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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