



AUSTRALIAN SOLOMONS GOLD ANNOUNCES NON-BROKERED PRIVATE PLACEMENT

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(TSX:SGA) TORONTO, Ontario (September 26, 2008) - Australian Solomons Gold Limited ("ASG" or the "Company") today announced that, subject to shareholder and regulatory approval, it intends to complete a non-brokered private placement (the "Private Placement") of up to US\$10 million of ordinary shares ("Shares") at a price of C\$0.30 per Share to Resources Capital Fund III L.P. ("RCF III"). The Shares issued under the Private Placement will be subject to a four-month hold period under Canadian securities laws and will be "restricted securities" under U.S. securities laws. The Private Placement is expected to close on or about November 28, 2008.

RCF III currently owns, together with its related funds, 28,061,365 Shares, representing 41.01% of the issued and outstanding Shares of ASG, or 30,663,865 Shares representing 40.91% of ASG on a fully diluted basis. Following the closing of the private placement, RCF III, together with its related funds, will own approximately 63,522,358 Shares, representing 61.15% of the issued and outstanding Shares of ASG, or 66,124,858 Shares representing 59.89% of ASG on a fully diluted basis.

It is anticipated that the private placement will be put to the disinterested shareholders of ASG for approval at the Company's upcoming annual general meeting, to be held on November 25, 2008.

RCF III may elect, subject to certain conditions, to advance to ASG up to US\$3,000,000 of the Private Placement subscription price in advance of closing as a loan (the "Loan"). The Loan will be unsecured and will bear interest at the rate of 15% per annum until maturity, payable on the date of repayment, which shall be the earlier of (i) the closing of the Private Placement; (ii) demand by RCF III for repayment; or (iii) in any event, not later than December 24, 2008.

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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities 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 expected to commence operations by Q1 of 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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