



AUSTRALIAN SOLOMONS GOLD GOLD RIDGE PROJECT UPDATE

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(TSX:SGA)

TORONTO, Ontario (January 9, 2007) – Australian Solomons Gold Limited (“ASG” or the “Company”) provides the following update with regard to the activities being undertaken for the Gold Ridge Project.

Bankable Feasibility Study (BFS)

The BFS included two drilling programmes totalling 104 drill holes covering 6,883m to provide samples for metallurgical test work on the four open pit areas and provide further resource definition. This work was completed in June 2006.

Delays in the receipt of results from independent laboratories undertaking the metallurgical testwork, coupled with the analysis of the results taking longer than anticipated, has impacted on the progress of mine planning, mine scheduling and cost estimation for the BFS. As such and given the traditional holiday period for Christmas and New Year, the BFS contemplating use of the diesel power station is now forecast for completion at the end of February 2007.

In order to maximise financial returns from the project, the Company has continued to investigate the use of alternative energy sources for power generation to reduce dependence on its existing diesel powered generating equipment. It is the Company's view that the use of alternative energy could result in a substantial reduction in operating costs. A separate feasibility study is being undertaken concurrently with the BFS and is due for completion in the first quarter of 2007.

In the meantime, the Company continues to work with its BFS Project Manager, Ausenco Limited, to optimise the results of all other work carried out to date.

Banking Syndicate

ASG has appointed Societe Generale Australia as the lead arranger for the provision of the debt component of the funds required to redevelop the Gold Ridge mine. The Company and the banking syndicate is working towards finalisation of the debt funding by April 2007 in order to allow completion of the plant refurbishment to be completed in December 2007 and allow the Company to meet its schedule of re-commissioning the mine before the end of 2007.

Activities in the Solomon Islands

Preparation for the development of Gold Ridge has proceeded with infrastructure for the construction and permanent camp purchased and the initial accommodation units and kitchen facility now erected and secured on site. This will provide accommodation for construction workers when they mobilise.

Landowner relocation village sites have been surveyed and housing designs approved to enable construction of the villages to commence upon receipt of approval from the housing authorities. This will facilitate the villager relocation from the mining lease. A number of bores have been drilled to provide potable water to the local communities adjacent to the mining lease.

The Solomon Island Government and Community stakeholders continue to be supportive of the activities of the company in redeveloping Gold Ridge.

Exploration

Exploration drilling has progressed and as previously announced the initial results in the existing Valehaichichi pit have been very positive. The exploration programme is ongoing.

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 210,000 oz gold during this period. ASG acquired the project in May 2005 and is currently completing a Bankable Feasibility Study to redevelop the Gold Ridge Project. Measured and Indicated Resources for the project exceeds 1.5 million oz with an Inferred Resource of 455,000 oz at a 0.8g/t cut off grade.

Additional information is available on www.sedar.com and at the Company website at www.solomonsgold.com.au.

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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