

PRESS RELEASE

LISTING OF BSP CONVERTIBLE NOTES LTD (BCN)

The South Pacific Stock Exchange (SPSE) is pleased to announce that BSP Convertible Notes Limited (BCN) was successfully listed on the Interest Rate Securities Board of the Exchange as of today 11th May 2010. The listing marks an important milestone in the development of our debt and equity market. The note is the first of its kind to be listed in Fiji and has a three year term with a fixed return of 7% per annum. These notes are mandatorily convertible to Fiji Class Shares upon maturity in 2013 and in certain circumstances at an earlier date at an initial ratio of 10 Fiji Class shares to each note held. BSP Convertible Notes Limited is a wholly owned subsidiary of the Bank of South Pacific (BSP) and is established for the sole purpose of making the convertible notes offer as part of BSP's ongoing capital management strategy.

According to the Exchange Chief Executive Officer, Ms Jinita Prasad it is the very first interest rate security to be listed on our official board apart from the "deemed to be listed" government and semi government securities. This has expanded the range of products that previously was confined to listed equities to include debt securities that can be bought and sold by investors. BCN has given a new direction to our market. Given the complexity of the security, the offer was not public but made to employees and sophisticated investors. The total number of note holders stand at 142 and now that it is publicly listed, anyone can invest in them. A security such as a convertible note will allow investors to enjoy the fixed coupon for the first three years while also carrying the upside of the equity returns after the mandatory conversion. The Fiji Class shares that eventually list in 3 years time will also have dividend returns tagged to the one paid out by BSP listed on Port Moresby Stock Exchange (POMSoX) in PNG.

The listing of BCN will boost investor confidence for Fiji investors and will enable them to obtain an investment exposure in a Pacific regional bank through a Fiji listed entity. She further added that since BSP is a listed company on POMSoX, this listing is going to strengthen regional economic ties and links between SPSE and POMSoX.

The company has successfully raised \$16.09 million through its convertible notes issue with 3.06 million notes quoted on the SPSE trading board. The offer, which was managed by Kontiki Stockbroking Limited (KSB), had a subscription price of \$5.25 per note. There were no trades executed in the security during trading today. Market Capitalization for BCN as at end of trading today stood at \$16.09 million, contributing 1.81% towards the overall market capitalization of \$887.17 million.

Should you require any further information on the issue, please do not hesitate to contact us.

Jinita Prasad
Chief Executive
11/05/2010