

Port Moresby Stock Exchange

Press Release

Half Year Result – 30th June 2007 **Credit Corporation (PNG) Limited**

The Acting Chairman of Credit Corporation (PNG) Limited, Barry Hanson, today released the half-year to 30th June 2007 results.

An operating after tax profit of K53.329 million has been recorded for the half year. Following a strong first six months the profit of the group has increased by 641.7% compared to the same period last year. It should be noted that the increase in the share price of the company's holdings in Bank South Pacific contributed K45.673 million of this profit.

The Corporation's tangible asset backing per share has increased from K4.80 to K6.72 per share and total assets have increased from K421.397 million to K557.142 million from the same period 2006. Earnings per share have increased from K0.33 to K2.12 per share for the same period.

Most segments of the Corporation have continued on from the strong performance of 2006. Credit Corporation Finance Limited has continued to perform well as has Credit Corporation Solomon Islands Limited. Our Fiji operation has continued to perform satisfactorily despite the slowing of the Fiji economy as a result of the Military Coup that took place during December 2006. Unfortunately because of the Coup growth in our Fiji business will continue to slow in 2007.

The property companies again continued to perform well with Papua New Guinea's premier and best maintained commercial office building, Credit House, remaining fully tenanted. The executive residential apartments at Era Dorina are also fully occupied with the 18 newly completed townhouses being fully tenanted on completion. The building of the 18 apartment tower block continues on schedule.

On the 3rd July 2007 the Reserve Bank of Vanuatu issued a Licence to carry on a Banking Business as a Credit Institution to Credit Corporation Vanuatu Limited. Credit Corporation Vanuatu Limited will be the company's third venture offshore after the successful Fiji and Solomon Islands operations, the company should commencing trading by the end of the year.

Mr Hanson said that at a group level he expected another strong result for 2007 with a healthy increase in profit and dividend growth.