

MEDIA RELEASE

KAML DELIVERS RECORD PROFIT - PAYS DIVIDEND OF 5 TOEA

Kina Asset Management Limited generated an investment gain of K7.4m representing a 17.25% return for the 12 months to December 31, 2010 and has announced a 5 toea dividend for shareholders

Chairman of KAML Sir Rabbie Namaliu said that the KAML investment portfolio increased by K4.51m, growing from K44.72m in 2009 to K49.23m in December 2010 after the dividend payment and operational expenses.

Sir Rabbie said that KAML was also announcing the company had implemented a Dividend Reinvestment Plan. The details for participation will be provided to shareholders in the near future.

"This will enable current shareholders the opportunity to reinvest in KAML in lieu of receiving dividends," he said.

The Expiry date for the dividend payment will be on April 20 and payment will be made on May 10.

Sir Rabbie said that the increase in the portfolio value was attributed to the recovery in the equities prices and favorable exchange rate movements

Sir Rabbie said the KAML board would continue with its current investment strategy with 40% of the fund invested in domestic equities and 60% in international equities, with flexibility for trading depending on market circumstances.

Sir Rabbie said that the strong return by KAML reflected the confidence returning to the PNG economy and the regional growth flowing from new resource opportunities locally and appropriately when global opportunities are identified.

"PNG is considered one of a group of emerging markets that are experiencing recovery and growth faster than their more advanced counterparts" Sir Rabbie said.

"Whilst PNG's immediate neighbours in the region have continued to enjoy stable growth and recovery, the immediate implication of the currency woes of more developed economies and specifically the US and Europe will affect trade"

"These remain very uncertain times globally"

"However the PNG economy continues to grow, and during 2010 was mainly driven by the commencement of construction of the LNG project and related activities and the recovery in the international export prices," he said



Sir Rabbie said that while GDP forecasts had been revised downward twice from the 2010 national budget from 8.5% to 7.5% in the mid year economic and fiscal outlook and later to 7.1% it is expected to rebound.

“Although these past projections were lower than expected, economic activity is expected to pick up and continue strongly into 2011” Sir Rabbie said

Sir Rabbie said that real GDP growth revisions were mainly due to several factors including mining problems leading to lower production in mines, lower coffee and cocoa production due to weather and pests and delays in the PNG LNG Project as a result of landowner issues.

“However it has been reported that commencement of LNG production in 2014 is not expected to be affected,” he said.

Sir Rabbie said that while the PNG economy is expected to continue to grow strongly as construction of the PNG LNG project ramps up, there was a key challenge for the government to ensure that price stability was maintained in the face of significant inflationary pressures that are likely to arise in the near term.

ENDS

A handwritten signature in black ink, appearing to read 'R. Namaliu'.

Sir Rabbie Namaliu CSM GCL KCMG

Contact Syd Yates – CEO on phone +675 3083810 or +675 76835050 for any queries in relation to this press release.

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