

New Britain Palm Oil Limited's 1st Quarter Results:

New Britain Palm Oil Limited, the country's largest agricultural operation has posted over K53 million for the 1st quarter of this year, 28% higher than budgeted. These exciting results are on the back of high production and exceptionally strong produce prices.

Palm oil operations have had a very strong 1st quarter processing over 306,000 tonnes of fresh fruit bunches in West New Britain; 7% above expectations. NBPOL's subsidiary, Guadalcanal Palm Oil Ltd in the Solomon Islands has contributed an additional 15,000 tonnes of ffb, a 50% increase to the previous quarter. Crop forecasts for the remainder of the year in both countries look extremely promising.

With market prices reaching a twelve-year high of US\$ 740 per tonne c.i.f. at Rotterdam this week the prospects for the remainder of the year are tremendously encouraging.

In addition NBPOL's majority shareholder Kulim Berhad of Malaysia has announced that the company wishes to increase investment in Papua New Guinea; a move in preference to investment in other countries. "This is a tremendous endorsement for PNG and a fantastic opportunity for the development of the rural economy in the country," says NBPOL's Managing Director Nick Thompson "An opportunity that needs to be grasped without delay before it is lost."

Profit before tax for the three months to the end of March is K53.6 million against a budget of K41.9million. This excellent result is due to higher than budgeted shipments of oil combined with the higher than budget prices. It should also be noted though that Fertiliser shipments did not commence until April whereas the budget had anticipated a first delivery in March of approximately K3.3 million, this a timing difference only.

Refinery throughput has been lower than anticipated due to mechanical problems but these are continuing to be addressed and ought to have a more positive impact from May onwards. Seed income for the first three months has been lower than budget, due to the continued ban on seeds into Indonesia. However during the period the Indonesian authorities finally withdrew the ban on Dami seeds. Seeds will therefore return to being a significant contributor to profit in the coming 9 months. Overheads remain controlled and within budget. The Solomon Islands operations of GPPOL were unaffected by the recent Tsunamis and are continuing to improve throughput.