

Press Release to POMSOX with Appendix 4b  
For year ended 31 December 2006.

Today New Britain Palm Oil Ltd (NBPOL) released its 2006 results. In 2006 the company made a profit before tax of K90.1 million. After tax the result was K66 million. The result was a slight improvement on the previous year of K89 million before tax and K64 million after tax according to a statement released to Port Moresby Stock Exchange. During 2006 a dividend of 10 toea was paid and a further dividend is expected mid 2007.

2006 was another record production year for palm oil production. Most significantly it was the first year that the company processed in excess of one million tonnes of oil palm fruit. The quantity of oil produced increased from 213,189 tonnes of crude palm oil (CPO) in 2005 to 235,099 again a record. Prices for CPO averaged 5.7% higher than 2005 with an average of \$467.28 per tonne CIF achieved compared to \$441.95 in 2005. Despite the significant increase in revenue as a result of these factors, costs also increased, particularly milling costs and maintenance costs. Freight costs and transport costs remained very high due to high diesel fuel prices.

The overall result profit would have been better by almost K17 million except the company's oil palm seed export business was severely impaired in 2006 as a result of Indonesian Quarantine officials suspending seed imports. NBPOL was incorrectly accused of importing seeds infected with a "lethal yellows phytoplasma". Papua New Guinea's inspection and quarantine service (NAQIA) had samples independently tested in Australia and all of the results consistently showed the company's material to be free of phytoplasma. After much misinformed and unfortunate publicity in Indonesia a collaborative joint testing exercise in Indonesia with Indonesia quarantine and NAQIA scientists confirmed that the material was free of phytoplasma. Unfortunately during 2006 almost all seed sales to Indonesia were stopped and this resulted in lost sales of K17 million.

During 2006, and almost exactly on time, 12 months after commencing operations, harvesting and milling commenced at the company's Solomon Islands subsidiary; GPPOL. Oil shipments from Honiara to Europe have gone smoothly and the palm kernel is being shipped via containers to Kimbe for crushing at our kernel crushing plant based at Kumbango. There is still much to do in the Solomon Islands to bring field standards in line with those of our New Britain estates, however as more housing is completed on site, improvements in efficiency and expertise will become evident and productivity will improve.

The company also said that 2007 had started strongly with excellent crop and high CPO prices. Current sales were being made at levels above USD 600 per tonne and this would have a significant positive impact on profitability in 2007.

For and on Behalf of New Britain Palm Oil Limited

14 March 2007

