



MEDIA RELEASE

May 10, 2006

RESULTS OF THE MAY 2006 AUCTION OF K75 MILLION GOVERNMENT INSCRIBED STOCK

The Government announces, through the Department of Treasury, the successful auction of Inscribed Stock of K75 million held on Tuesday 9 May 2006.

Inscribed Stock Maturities	Bids Received (Kina million)	Amount Offered (Kina million)	Coverage Ratio (Bids ÷ Offered)	Accepted Bids (Kina million)
15 February 2009	80.5	37.5	2.1	37.5
15 February 2016	72.5	37.5	1.9	37.5
TOTAL	153.0	75.0	2.0	75.0

The total amount of Bids Received was K153 million: K10 million from BPNG and K143 million from other investors. The oversubscription of Inscribed Stock demonstrates the attractiveness of government securities as a component of a prudent investment portfolio. The total amount of Accepted Bids was K 75 million: none from BPNG and K75 million from other investors. BPNG under its enabling legislation, the Central Bank Act, has the independence and authority to take actions to promote price and macroeconomic stability, including buying Government Securities. BPNG bids under the same terms and conditions as all other registered bidders, and has no prior knowledge or access to other bids.

Inscribed Stock maturities	Coupon (% pa)	Weighted average issue yield (% pa)	Highest accepted issue yield (% pa)	Lowest accepted issue yield (% pa)
15 February 2009	6.00	5.55	5.55	5.55
15 February 2016	12.00	11.25	11.25	11.25

Inscribed Stocks are auctioned on the second Tuesday of every month, and the Government plans to issue K75 million each month for the remaining months of 2006. The minimum bid amount is K1 million and investors who wish to find out more about government securities should contact either:

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