



MEDIA RELEASE

August 18, 2005

RESULTS OF AUGUST 2005 TENDER OF INSCRIBED STOCK

The Government today announces through the Department of Treasury, the successful tender of Inscribed Stock on Wednesday 17 August 2005. A total of K50 million was offered, and K54.70 million was received and K39.70 of the bids were accepted by the Government. The accepted bids comprised of K26.4 million maturing on 15 August 2008, K9 million maturing on 15 February 2010 and K4.3 million maturing on 15 August 2012. BPNG bid K25 million and all of their bids were successful.

The amount of inscribed stock offered, bids received and bids accepted were:

Inscribed Stock Maturities	Total Amount Offered (Kina million)	Total Amount of Bids (Kina million)	Coverage Ratio (Offered ÷ Bids)	Bids Accepted (Kina million)
15 August 2008	30.00	41.40	1.38	26.40
15 February 2010	10.00	9.00	0.90	9.00
15 August 2012	10.00	4.30	0.43	4.30
TOTAL	50.00	54.70	1.09	39.70

The range of yield bids accepted was as follows:

Inscribed Stock & coupon maturities	Coupon (% pa)	Weighted average issue yield (% pa)	Highest accepted issue yield (% pa)	Lowest accepted issue yield (% pa)
15 August 2008	10.00	7.25	7.35	6.80
15 February 2010	10.00	9.96	10.00	9.75
15 August 2012	12.00	11.79	12.00	11.50

The margins between the highest and lowest acceptable bids was 0.45% for 2008, 0.25% for 2010 and 0.50% for 2012, indicates the markets pricing for inscribed stock is converging and becoming more sophisticated.

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