



PRESS RELEASE

Friday, 20 July 2018

ICSI and SINPF sign historic Shareholders Agreement in Solomon Islands Submarine Cable Company Limited and purchase their shares in the Company

We are pleased to announce that On Friday 20th July 2018 the Investment Corporation of the Solomon Islands (ICSI) and The Solomon Islands National Provident Fund (SINPF) signed and executed their Shareholders Agreement, allowing them to complete the purchase of their shareholding in Solomon Islands Submarine Cable Company Limited (SISCC).

ICSI have taken a 51% share in the Company for an equity contribution of \$123M SBD and SINPF have taken a 49% share in the Company for an equity contribution of \$119M SBD, yielding a total capitalisation of \$241M SBD (\$29.7M USD).

SISCC have also purchased the remaining assets of the Solomon Oceanic Cable Company (SOCC) from SINPF for a consideration of \$20M SBD. SINPF will loan SISCC the \$20M required for this purchase with interest accumulating on the outstanding balance. SISCC is not required to begin making repayments until it is established and operating profitably.

The equity funding of \$241M SBD will be used by SISCC to participate, on behalf of the Solomon Islands Government (SIG), in the majority Australian Government grant funded Coral Sea Cable System Project, providing a high speed submarine fibre optic network between Honiara and Sydney Australia, and the associated Solomon Islands Domestic Network that will provide a high speed submarine fibre optic network linking Auki in Malaita Province, Noro in Western Province and Taro in Choiseul Province to Honiara.

After completion of the project SISCC will own the Solomon Islands Domestic Network and be a shareholder in a new joint venture company, based in



Australia, that will own and manage the international Cable on behalf of PNG, Solomon Islands and the Commonwealth of Australia. SISCC will have an exclusive right of Use over two fibre pairs from Honiara to Sydney on the international system. SISCC will be a wholesale provider of internet and communications bandwidth to licensed operators in the Solomon Islands. SISCC's main business aim will be to provide the lowest cost internet bandwidth possible while recovering the investment for its shareholders, driving greater take up of services through the retail operators and thus delivering economic growth and greater social benefits to the Solomon Islands.

SISCC plays a pivotal role in the development of this system as it is their responsibility to construct all the landing infrastructure for Honiara, Auki, Noro and Taro. This is the largest land component of the entire project and a big responsibility for SISCC to deliver in time for the submarine cable laying operation. With the backing of its shareholders and the Government, SISCC fully expect to meet the aggressive timetable set out in the Coral Sea Cable Project, having their infrastructure ready by the end of May 2019 and accepting the whole system into operation by the end of 2019.

ICSI and SINPF are delighted to be able to participate in this long awaited nation building project which is the highest national priority for the Government of the Solomon Islands. The combination of direct Government Investment and control through ICSI and the participation of all Solomon Islanders through the investment of SINPF in the system will ensure a very bright technological future for the people of the Solomon Islands.

As a footnote to this announcement the Shareholders also wish to clarify that there is absolutely no truth in a recent press article suggesting that the SINPF and ICSI owned Solomon Telekom is involved in any way in the construction of another cable system.

Any further inquiries should be addressed to Keir Preedy, CEO of Solomon Submarine Cable at the address below.

Solomon Submarine Cable is a registered business name of Solomon Island Submarine Cable Company Limited (SISCC).