

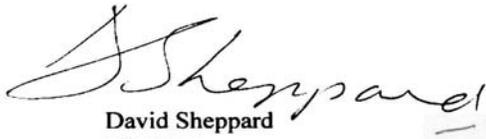
**DIRECTOR'S REMARKS**  
**AUDITED ANNUAL ACCOUNTS FOR 2008 AND 2009**

The attached copies of relevant parts of the audited SPREP Financial Statements were prepared in accordance with both the Financial Regulations of SPREP and the Financial Regulations of the Noumea Convention.

For 2008, the Income and Expenditure Statement (WP.7.3) shows most of the expenditure incurred was a result of the 2008 Meeting of the Parties held in Pohnpei, and for "technical advice and support".

For 2009, the Income and Expenditure Statement (WP.7.5) shows expenditure was again for technical advice and support.

The United States was kind enough to make a voluntary contribution to the Noumea account at the end of 2008. This contribution enabled the EIA activity in Papua New Guinea to take place (see WP.7.6). The expenditure of these funds is also recorded here.

  
David Sheppard  
**Director**

July 2010