

30 January 2009



KENTOR GOLD LTD

ACN 082 658 080

**Quarterly Activities Report
Period Ending 31 December 2008**

Savoyardy Gold Project

- Initial gold Resource established.
- Pre-feasibility study commenced targeting early gold production.
- High grade results from drilling and sampling; further drilling planned to extend Resource.

Exploration

- High grade gold results from surface trenching at the Kurgan prospect.

Geothermal energy

- A shallow temperature survey around the Inylchek hot granite was successfully completed.
- Two grant applications have been prepared and lodged with the World Bank.

Kentor Gold Limited (Kentor Gold or the Company) achieved a major advance during the quarter with the establishment of a maiden gold Resource at the Savoyardy Gold Project in the Kyrgyz Republic.

The Resource remains open at depth and along strike.

A pre-feasibility study, aimed at bringing the project into small scale production as early as possible, was commenced, and is expected to be completed by mid-2009. Direct access is available to existing exploration drives previously developed during the Soviet era.

High grade results from the continuing exploration at Savoyardy were announced during the quarter.

Exploration work continued at other prospects in the Kyrgyz Republic, including Kurgan where best results from surface trenching produced 3 g/t over 3m and 2 g/t over 3m.

A shallow temperature survey was conducted over an area of 55 square kilometres around the Inylchek hot granite was successfully completed. Results show that a number of active faults are associated with temperature anomalies (elevated temperatures). Results also indicate that the innovative low-cost shallow temperature surveys are a useful tool for delineating areas of high heat flow.

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Projects

Savoyardy - Gold, Antimony

(Kentor Gold Limited earning 70% from Manas Resources ASX code: MSR)

Summary of works conducted at Savoyardy for the quarter:

- The underground and surface diamond drilling program was completed with a total of 400 metres of drilling completed during the quarter;
- The surface diamond drilling results demonstrated that the mineralisation continues along strike to the south – west;
- High grade gold assays were reported from the channel sampling of the walls and the backs of the adit;
- Metallurgical testing of a bulk sample from the Rudny adit was underway at the AMMTEC laboratory in Perth. These results are expected in late January 2009;
- Shortly after the quarter, an initial resource estimate was completed.

A total of 400 metres of diamond drilling was completed during the quarter. This completed the planned diamond drilling program for 2008. Assay results from the diamond drilling program received during the quarter are shown in Table 1.

Channel sampling of the walls and the backs in the underground adit produced high grade gold results with the highlights including:-

- 3.0m @ 29.6 grams per tonne gold
- 1.6m @36.5 g/t gold
- 1.2m @ 29.1 g/t Au and
- 0.6m @ 77.5 g/t Au.

The full set of the results of the channel sampling program is shown in Figure 1 and Table 2.

The results of the 2008 geophysical survey indicated that several coincident low-resistivity and high-conductivity anomalies exist at approximately 100 metres below surface. These anomalies will be appraised further with the aim to identify drill targets for next year.

Metallurgical test work was undertaken in Perth on a bulk sample from the Savoyardy project during the quarter. The metallurgical test work comprised crushing, milling, flotation, thickening, gravity concentration and testing of the gravity and flotation concentrates to recover the gold. The final results are expected to be available during the current quarter.

On the 8th of January 2009 a maiden Resource estimate was completed at the Rudny area of Savoyardy. The resource is based on 43 diamond drill holes and 335 underground channel samples in the Rudny area of the Savoyardy exploration licence.

The resource was estimated using Multiple Indicator Kriging and the estimate has been based on the assumption that the deposit will be mined by underground hand held mining methods using the existing development and possible hand sorting of ore.

For further information, please refer to the ASX announcement dated 8th January 2009. The Resource consists of two parallel, near vertical zones which are shown in Figure 2.

Kentor Gold has now commenced a pre-feasibility study to examine the possibility of commencing small scale production from the high grade ore at Savoyardy. The pre-feasibility study is expected to be completed by mid 2009. Drilling planned to take place during 2009 is expected to increase the size of the Resource.

Figure 1. Plan of Savoyardy Adit Sampling Results

Channel Sampling of Roof of Savoyardy Exploration Drive

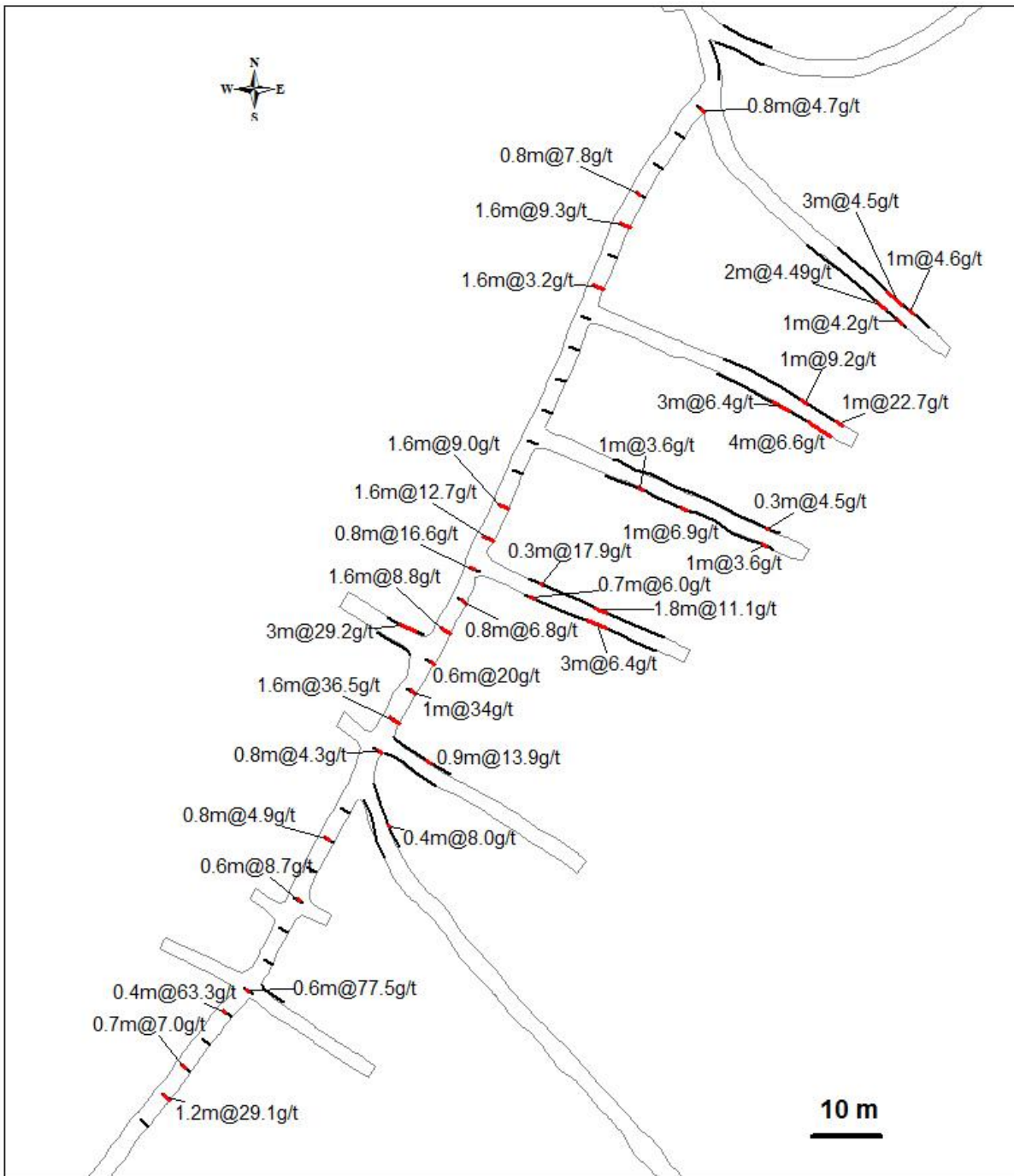
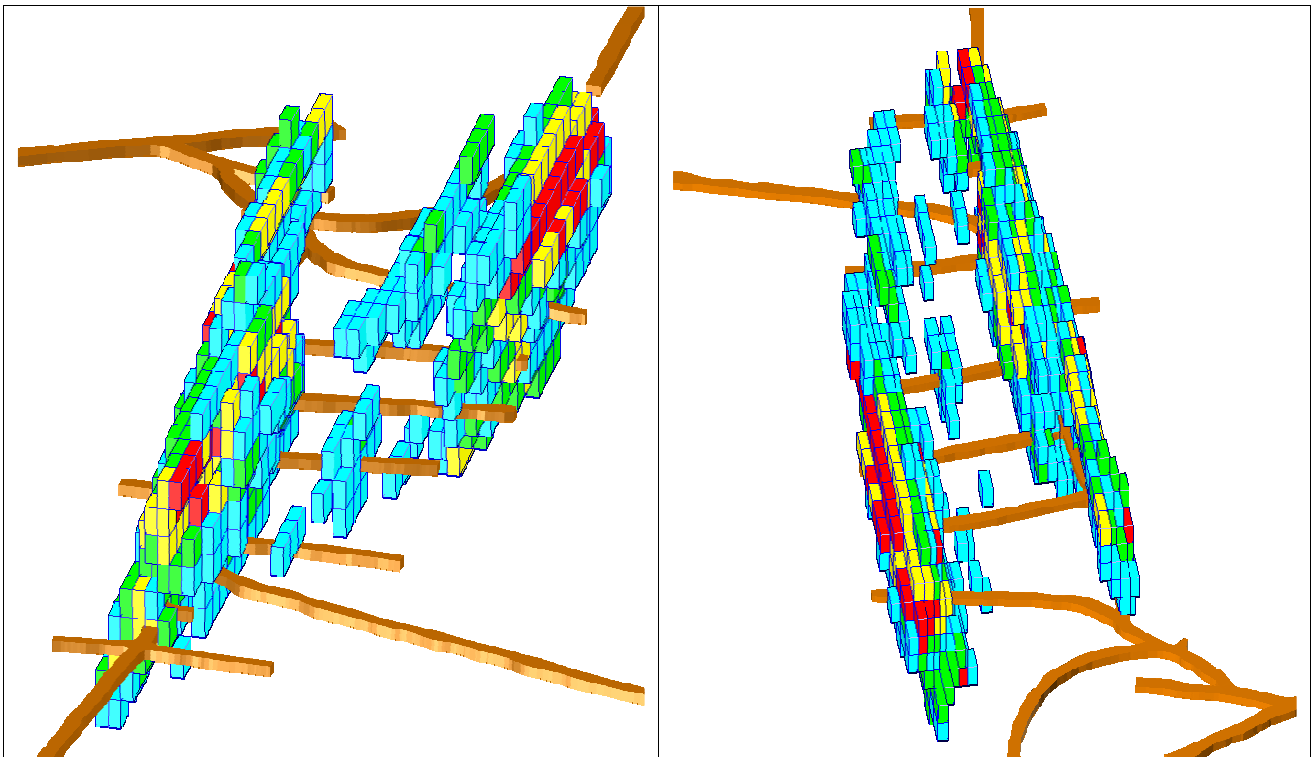


Figure 2. Block grade estimates greater than 3 g/t Au



(Cyan = 3-5g/t; Green = 5-7; Yellow = 7-10; Red>10g/t Au; brown shapes = development)

The gold mineralisation at Savoyardy is mainly hosted by sandstone units within a weakly metamorphosed Devonian clastic sequence. The mineralisation occurs as gold-bearing massive and veined pyrite and arsenopyrite in proximity to fault structures.

Akbel – Gold

(Kentor 80%)

Several parties have expressed interest in acquiring the Akbel licence and relevant data from Kentor Gold. Kentor Gold considers these tenements to be prospective but will consider any offers that are presented.

Bashkol - Gold, Uranium

(Kentor 80%)

Work during the quarter consisted of compiling the results from the 2008 field season. A zone with intensive copper mineralisation was outlined by traversing, 4 trenches totalling 350m were excavated. A Quartz-carbonate vein width of 1 to 1.5m was identified containing disseminated chalcopyrite.

A zone of quartz-sulphide mineralisation in intrusive rocks was sampled on outcrop found on traverses, rock chip samples have undergone spectral analysis and show gold grades of up to 3g/t. The results indicate that the area is prospective and requires further study in 2009.

Chaarkuduk - Lead-Zinc, Copper, Gold

(Kentor 80%)

The results from the 2008 field work were compiled and the statutory reports were prepared during the quarter. The Chaarkuduk licence remains prospective for lead deposits. However, given the poor current metal prices and outlook for base metals, no further field work is planned to be conducted at Chaarkuduk until prices improve.



Figure 3. Sampling trenches at Chaarkuduk

Kurgan – Lead-Zinc, Copper, Silver, Gold
(Kentor 80%)

During the quarter, Kentor Gold reported first results from the Company's initial exploration program at the Kurgan exploration licence.

Best results, from surface trench sampling, were 3 g/t gold over 3m and 2 g/t gold over 3m.

During the 2008 field season, Kentor Gold conducted soil sampling, geophysics and trenching at Kurgan. The soil sampling and geophysics were concentrated over an area which had previously been noted to contain anomalous gold values. Two trenches approximately 300 metres apart were excavated and sampled. The samples were analysed by fire assay and the results are shown in Figure 4 below.

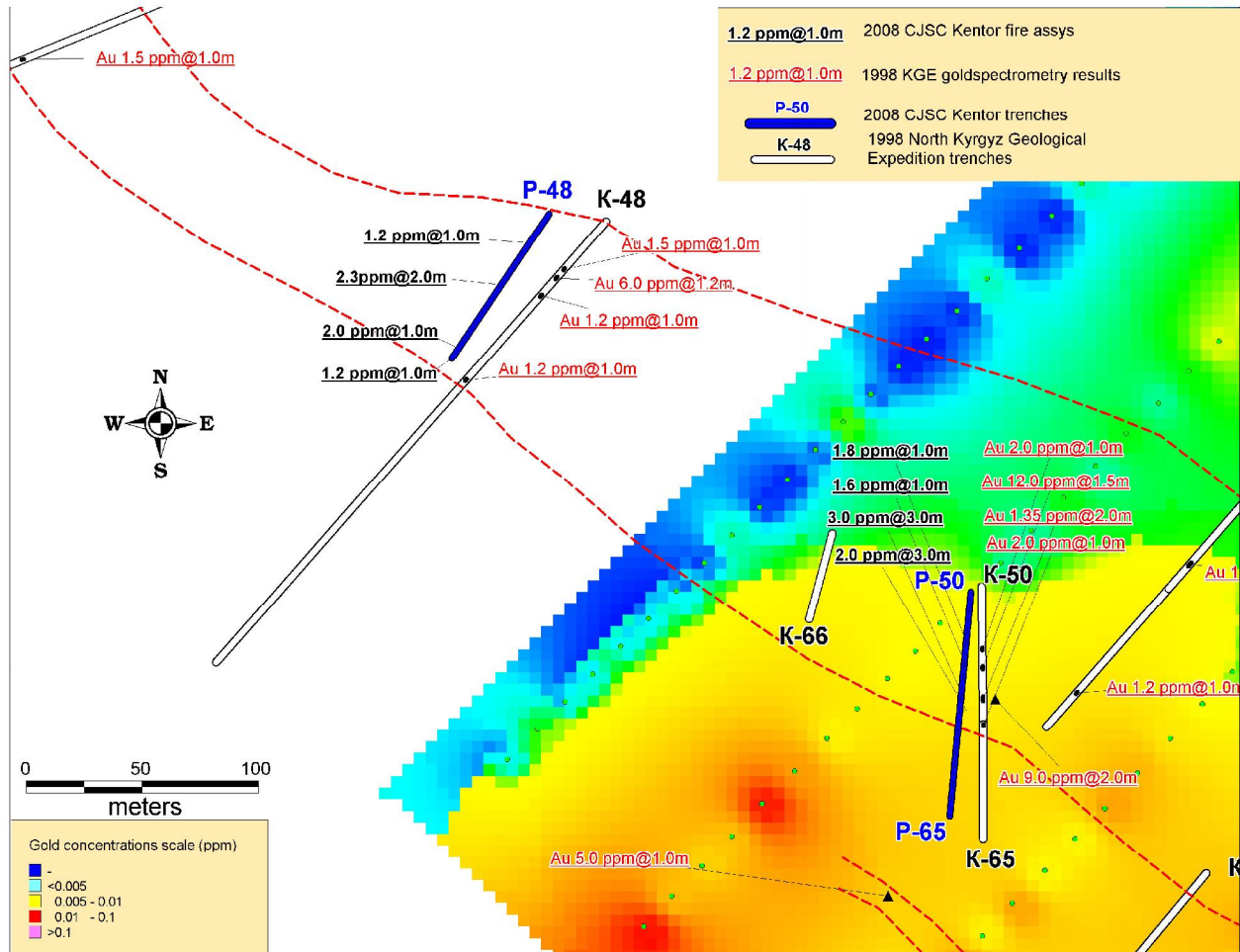


Figure 4 Surface Trenching results at the Kurgan project.

The Kurgan Exploration Licence was granted to CJSC Kentor (KGL 80%) in early 2008. Covering 310 km², the licence is located approximately 200 kilometres west of Bishkek in the Jalalabad Oblast (administrative division) of the Kyrgyz Republic. The licence is at a low altitude and has good access.

Yangydavan - Lead, Silver
(Kentor 80%)

The results of the 2008 geophysical surveys at the Yangidavan prospect were received and analysed. The surveys showed a conductor at depth below the area of mineralisation that had previously been identified at the surface. Expenditure on this project will be minimised in 2009 until base metal prices improve.

Geothermal Energy Central Asia
(Kentor 80%, Panax Geothermal earning 51%)

A shallow temperature survey around the Inylchek hot granite was successfully completed. Results show that a number of active faults are associated with temperature anomalies (elevated temperatures). Results also indicate that the innovative low-cost shallow temperature surveys are a useful tool for delineating areas of high heat flow.

A follow-up survey in the south of the Akshirak licence had to be postponed because of weather conditions. The latter also prevented the conduct of temperature measurements in existing drill holes in the Inylchek area. Both activities are now expected to commence in early spring (April, 2009).

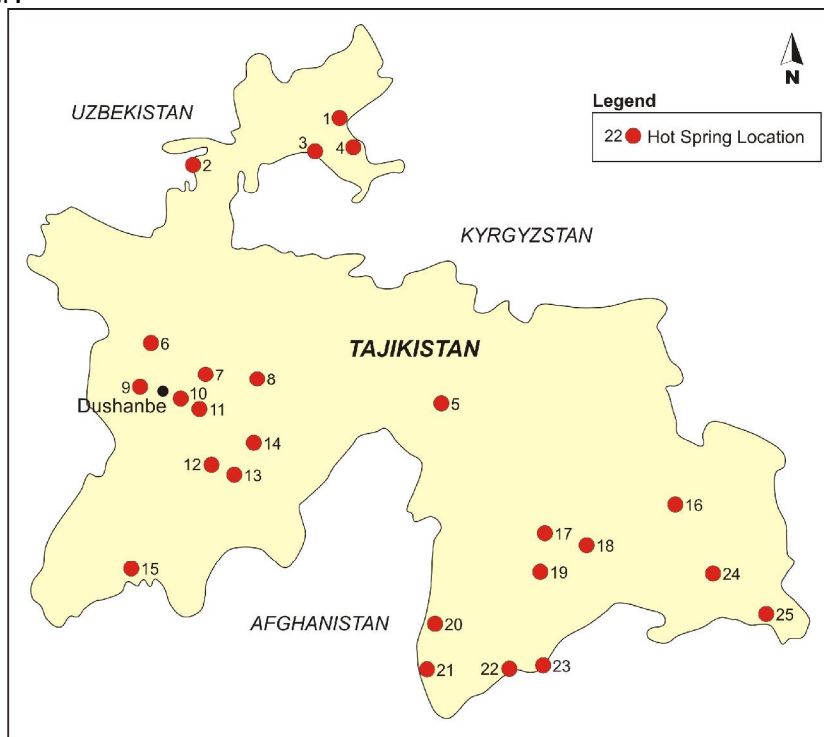
Panax commissioned Brisbane-based Dr Tim Hopwood, a well known and experienced structural geologist, to carry out a comparative study of structural geological settings of

Yangbajing (a producing geothermal field in Tibet), Puga (a geothermal project based in the Indian Himalayas) and Inylchek in Eastern Kyrgyz Republic. The study should be completed in the next week or so.

Panax and Kentor Gold made joint submissions to the World Bank’s Geofund for two grants for:

- The Inylchek Geothermal Exploration Project in Eastern Kyrgyz Republic, including the drilling of two 500m holes and two 2,000m wells. A grant of US\$3.5 million to US\$4 million has been requested.
- The Tajikistan General Geothermal Exploration Programme, including the drilling of a 2,000m deep exploration well. A grant totalling US\$2 million has been requested.

The submissions were lodged in late December, 2008 and was acknowledged as received shortly afterwards. The outcome of our applications is expected to be known during the current quarter.



Tajikistan is considered to be prospective for geothermal energy and has a great deal of information currently available due to the large number of deep holes which have been drilled for oil in the country.

Panax Geothermal Limited (ASX code: PAX) is earning 51% equity in this project through the expenditure of US\$5m over a 4 year period.

Corporate

Kentor Gold is continuing to look to acquire high grade projects which require low amounts of capital to enter production as soon as possible. During the quarter, evaluations were carried out on a number of projects both within Central Asia and elsewhere.

Kentor had cash in excess of AUD\$1million at the end of December. Using strict cash management and careful review of costs, Kentor expects to have sufficient reserves to continue funding Savoyardy prefeasibility work and administrative costs past June 2009.

Outlook

The pre-feasibility study into the early development at Savoyardy will continue during the current quarter. The study is examining bringing the project into early small scale production using hand held mining in the existing underground adit to produce high grade ore. The ore will then be treated on site to produce a flotation concentrate to be sold to third party smelters.

It is envisaged that the mining and processing of the ore will be performed by contractors using their own equipment to keep capital costs to an absolute minimum. The results of the study will be available in mid 2009

Further exploration is at the planning stage for later in 2009 in the Savoyardy licence and at the Kurgan gold-lead-zinc-copper-silver and Bashkol gold-uranium prospects.

In the first quarter 2009, the results of the structural analysis over the Inylchek geothermal prospect will be available. Kentor Gold also expects to find out if the grant applications to the World Bank Geofund have been successful.

About Kentor Gold

Kentor Gold Ltd (ASX Code: KGL) is an Australian-based company formed in 1998 as a specialist gold explorer. The Company was listed on the Australian Securities Exchange (ASX) in March 2005 and has diversified into exploration for gold, geothermal energy and base metals in Central Asia where it has highly regarded, established local management..

Kentor Gold's vision is to build wealth for shareholders through project acquisition, exploration, development and production.

For further information, visit our website at www.kentorgold.com.au or contact:-

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Competent Persons Statement:

The exploration results in this report are based on information compiled by Simon Milroy, who is a member of the Australian Institute of Mining and Metallurgy and a full time employee of Kentor Gold Limited. Mr. Milroy has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Milroy has consented to the inclusion of this information in the form and context in which it appears in this report.

Table 1: Savoyardy diamond drill hole assay results received during the quarter

LOCATION	FROM	TO	Length	Au (g/t)
SVD_DD_19	54.00	55.00	1.00	21.40
SVD_DD_20	69.00	70.00	1.00	10.30
SVD_DD_21	86.40	87.40	1.00	3.17
	95.40	96.40	1.00	5.13
	96.40	97.40	1.00	1.40
	97.40	98.40	1.00	6.46
	98.40	99.40	1.00	7.79
	99.40	100.40	1.00	6.37
	100.40	101.40	1.00	1.31
	101.40	102.40	1.00	15.40
SVD_DD_22	43.00	44.00	1.00	3.22
	44.00	45.00	1.00	3.25
	45.00	46.00	1.00	4.05
SVD_DD_27	49.00	50.00	1.00	4.05
SVD_DD_33	41.50	42.00	0.50	4.79
	44.00	45.00	1.00	3.32
	85.00	86.00	1.00	6.23
	86.00	87.00	1.00	6.41
SVD_DD_34	61.70	62.20	0.50	34.20
SVD_UD_02	2.80	3.10	0.30	3.60
	9.00	9.50	0.50	40.70
	9.50	10.20	0.70	28.00
	10.20	11.20	1.00	7.78
	11.20	12.20	1.00	7.34
	12.20	13.20	1.00	4.00
	13.20	14.50	1.30	8.51
	31.50	32.50	1.00	3.94
SVD_UD_03	5.00	5.70	0.70	18.60
	8.70	9.70	1.00	4.34
	9.70	10.70	1.00	14.50
SVD_UD_14	51.00	51.80	0.80	3.72
	57.00	58.00	1.00	5.19
	82.00	82.60	0.60	5.73
	82.60	83.40	0.80	4.29
	96.70	97.80	1.10	9.03
SVD_UD_15	112.80	113.80	1.00	6.25
	116.00	117.00	1.00	3.47
SVD_UD_16	142.00	143.00	1.00	7.41
	144.00	145.00	1.00	3.06

Table 2. Savoyardy Adit Sampling Results (> 3g/t Au)

LOCATION	WALL	FROM	TO	L	Au,g/t	Composite	
adit_1, drift_6, inset_20_N_wall	NE	9.90	10.90	1.00	4.260	3m @ 4.5g/t	
	NE	10.90	11.90	1.00	5.730		
	NE	11.90	12.90	1.00	3.580		
	adit_1, drift_6, inset_16_N_wall	NE	13.90	14.60	0.70	3.930	1m @ 4.6g/t
		NE	14.60	14.90	0.30	6.060	
adit_1, drift_6, inset_14_N_wall	NE	13.00	14.00	1.00	9.160	1m @ 9.2g/t	
	NE	19.00	20.00	1.00	22.700	1m @ 22.7g/t	
adit_1, drift_6, inset_2_N_wall	NE	4.40	4.80	0.40	3.220	0.4m @ 3.2g/t	
	NE	5.40	6.10	0.70	3.290	0.7m @ 3.3g/t	
	NE	24.80	25.10	0.30	4.460	0.3m @ 4.5g/t	
adit_1, drift_6, inset_4_N_wall	NE	2.00	2.30	0.30	17.900	0.3m @ 17.9g/t	
	NE	10.80	11.00	0.20	7.590	1.8m @ 11.1g/t	
	NE	11.00	11.60	0.60	19.100		
	NE	11.60	12.60	1.00	7.080		
adit_1, drift_6, inset_20_S_wall	NE	6.00	6.70	0.70	8.190	0.9m @ 13.9g/t	
	NE	6.70	6.90	0.20	34.000		
adit_1, drift_6, crosscut_N_wall	NE	6.50	6.90	0.40	7.990	0.4m @ 8.0g/t	
adit_1, drift_6, inset_16_S_wall	SW	1.00	2.00	1.00	4.24	1m @ 4.2g/t	
	SW	4.00	5.00	1.00	5.53	2m @ 4.5g/t	
	SW	5.00	6.00	1.00	3.45		
adit_1, drift_6, inset_3_N_wall	SW	0.00	1.00	1.00	3.63	4m @ 6.6g/t	
	SW	1.00	2.00	1.00	3.53		
	SW	2.00	3.00	1.00	3.97		
	SW	3.00	4.00	1.00	15.4		
	adit_1, drift_6, inset_14_S_wall	SW	7.00	8.00	1.00	3.72	3m @ 6.4g/t
		SW	8.00	9.00	1.00	7.81	
		SW	9.00	10.00	1.00	7.75	
adit_1, drift_6, inset_2_S_wall	SW	1.00	2.00	1.00	3.56	1m @ 3.6g/t	
	SW	14.00	15.00	1.00	6.90	1m @ 6.9g/t	
	SW	21.00	22.00	1.00	3.563	1m @ 3.6g/t	
adit_1, drift_6, roof, section_1	SW	8.00	9.00	1.00	4.32	3m @ 6.4g/t	
	SW	9.00	10.00	1.00	9.26		
	SW	10.00	11.00	1.00	5.51		
	SW	19.30	20.00	0.70	5.99	0.7m @ 6.0g/t	
adit_1, drift_6, roof, section_4	NE	2.00	3.00	1.00	29.2	3m @ 29.6g/t	
	NE	3.00	4.00	1.00	43.2		
	NE	4.00	5.00	1.00	16.3		
adit_1, drift_6, roof, section_5	roof	0.00	0.80	0.80	4.69	0.8m @ 4.7g/t	
adit_1, drift_6, roof, section_4	roof	0.80	1.60	0.80	7.84	0.8m @ 7.8g/t	
adit_1, drift_6, roof, section_5	roof	0.00	0.80	0.80	9.55	1.6m @ 9.3g/t	
	roof	0.80	1.60	0.80	8.98		

adit_1, drift_6,roof, section_7	roof	0.00	0.80	0.80	3.31	1.6m @ 3.2g/t
	roof	0.80	1.60	0.80	3.06	
adit_1, drift_6,roof, section_14	roof	0.00	0.80	0.80	3.29	1.6m @ 9g/t
	roof	0.80	1.60	0.80	14.7	
adit_1, drift_6,roof, section_15	roof	0.00	0.80	0.80	7.85	1.6m @ 12.7g/t
	roof	0.80	1.60	0.80	17.6	
adit_1, drift_6,roof, section_16	roof	0.80	1.60	0.80	16.6	0.8m @ 16.6g/t
adit_1, drift_6,roof, section_17	roof	0.00	0.80	0.80	6.84	0.8m @ 6.8g/t
adit_1, drift_6,roof, section_18	roof	0.00	0.80	0.80	6.83	1.6m @ 8.8g/t
	roof	0.80	1.60	0.80	10.7	
adit_1, drift_6,roof, section_19	roof	0.00	0.60	0.60	20.0	0.6m @ 20.0g/t
adit_1, drift_6,roof, section_20	roof	0.00	1.00	1.00	34.0	1m @ 34g/t
adit_1, drift_6,roof, section_21	roof	0.00	0.80	0.80	23.7	1.6m @ 36.5g/t
	roof	0.80	1.60	0.80	49.4	
adit_1, drift_6,roof, section_22	roof	0.00	0.80	0.80	4.32	0.8m @ 4.3g/t
adit_1, drift_6,roof, section_25	roof	0.80	1.60	0.80	4.91	0.8m @ 4.9g/t
adit_1, drift_6,roof, section_27	roof	1.00	1.60	0.60	8.69	0.6m @ 8.7g/t
adit_1, drift_6,roof, section_30	roof	1.00	1.60	0.60	77.5	0.6m @ 77.5g/t
adit_1, drift_6,roof, section_31	roof	1.20	1.60	0.40	63.3	0.4m @ 63.3g/t
adit_1, drift_6,roof, section_33	roof	0.90	1.60	0.70	6.98	0.7m @ 7.0g/t
adit_1, drift_6,roof, section_34	roof	0.00	1.20	1.20	29.1	1.2m @ 29.1g/t