

14 December 2009



KENTOR GOLD LTD

ACN 082 658 080

A\$28M Placement to Acquire and Commence Development of the Andash Gold Project

Kentor Gold Limited ("Kentor Gold" or the "Company") (ASX:KGL) is pleased to announce a successful capital raising to acquire the advanced, high grade Andash Gold-Copper Project in the Kyrgyz Republic and commence its development.

The capital raising comprised a placement of 215 million new shares at \$0.13 per share to raise gross proceeds of AUD\$28 million.

The placement was keenly sought and oversubscribed by both professional and sophisticated investors in Australia, Asia and Europe.

The funds raised from the placement will allow Kentor Gold to:

- Acquire 80% of the Andash project;
- Acquire a mining and construction fleet of equipment that is already assembled for the project in the country;
- Update the project's Bankable Feasibility Study; and
- Commence the early stage of development of the project.

Helmsec Global Capital Limited acted as Lead Manager for the placement. Bell Potter Securities and Patersons Securities Limited acted as Co-Managers.

The issue of shares raising \$25 million is subject to approval from Kentor Gold's shareholders at its General Meeting on Tuesday 15 December 2009. The additional shares raising \$3 million will be issued using the Company's 15% placement capacity.

Kentor Gold advises that, once the Placement is completed, the Company will have no need to draw down on the Macquarie Bank debt facility which was announced on 27 November 2009.

Kentor Gold Managing Director Simon Milroy said:

"We are delighted to welcome to our share register several respected institutional investors in gold. Their decision to join us in developing Andash is testament to the quality of the project."

"We look forward to proceeding with the development of Andash in 2010 and commencing production in 2011."

"The additional funds will provide the company with the ability to secure long lead time items such as mills and crushers."

In the light of this commitment to the Andash project, the Board of KGL is considering a range of options for the Savoyardy project.

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ABOUT KENTOR GOLD

Kentor Gold Limited (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 and development of gold, geothermal energy and base metals in Central Asia, where it has highly regarded, established local management.

Andash is targeted to commence production in late 2011 at an annual rate of 60,000 oz of gold and 5,000 tonnes of copper in concentrate.

For further information, visit the Kentor Gold website at www.kentorgold.com.au or contact:

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