

23 December 2009



KENTOR GOLD LTD

ACN 082 658 080

Kentor Gold completes acquisition of Andash Gold-Copper Project

- **Opens way for early mine development and production**

Kentor Gold Limited ("Kentor Gold" or "the Company") (ASX: KGL) has completed the acquisition of 100% of Kaldora Company Limited which owns an 80% interest in the advanced, high grade Andash Gold-Copper Project in the Kyrgyz Republic.

Announcing the transaction today, Kentor Gold Managing Director Simon Milroy said:

"The acquisition of Andash has transformed Kentor Gold, significantly increasing the Company's value and opening the way for Kentor Gold to become a mid-tier gold producer.

"Building on our unique, long established position in the Kyrgyz Republic and funded by our recently well supported capital raising, we plan to commence mine development in 2010 and be in production in 2011."

On 22 December 2009 Kentor Gold paid Aurum Mining plc US\$10M to acquire 80% of the Andash project and US\$5M for a fleet of mining and construction equipment already assembled in the country. The remaining 20% interest in the Andash Project is being held by a local Kyrgyz company. Aurum Mining plc have stated their intention to purchase a 10% interest in the project from the local company.

Earlier this month, Kentor Gold raised A\$28M in a heavily oversubscribed share placement to Australian, Asian and European investors, the proceeds of which enabled the Andash Project to be acquired and will allow early stage development to be commenced.

The Andash Project is a fully approved and near development-ready mining project. Under a Bankable Feasibility Study completed in 2007, the low cost project has an estimated annual average life-of-mine production of approximately 60,000 oz gold and 5,000 tonnes copper in concentrates. A review of the study, to enhance recoveries and concentrate grades and update cost estimates, should be completed within three months.

Savoyardy Gold Project

In view of the acquisition and planned development of Andash, the Board of Kentor Gold has decided not to pursue early development of small scale mining at the Savoyardy Gold Project, also located in the Kyrgyz Republic. Instead work will continue next field season on enlarging Savoyardy's current gold Resource.

During 2009, Kentor Gold engaged in an extensive surface and underground exploration drilling program at Savoyardy. The results, which have been announced progressively during the year, have confirmed the high grade potential of the area in and around the Rudny Prospect. Exploration will be continued with the aim of establishing a larger, high grade mining project at Savoyardy.

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ABOUT KENTOR GOLD

Kentor Gold Limited (ASX: KGL) is an Australian-based company formed in 1998 as a specialist gold explorer. The Company was listed on the Australian Securities Exchange in 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.

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

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

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