



21 October 2010

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. Kentor Gold owns 80% of the Andash Gold-Copper Project which is under development and is targeted to annually produce 70,000 oz gold and 7,400 tonnes copper in concentrate.

Issued capital:

*577 million ordinary shares
59.6 million unlisted options*

Market Capitalisation

20 October 2010: \$95 million

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EXPLORATION TARGET ESTABLISHED FOR ANDASH ZONES 2 & 3

An additional gold exploration target has been established near the Andash Gold-Copper Project of Kentor Gold Limited (Kentor or the Company) in the Kyrgyz Republic, providing a further opportunity to extend the life of operations at Andash.

Independent consulting geologists Hellman & Schofield Pty Ltd ("H&S") have now completed a review of exploration results of the Andash Zone 2 and Zone 3 prospects.

As a result, H&S have reported an Exploration Target* for Andash Zones 2 and 3 under the JORC Guidelines of **5 to 10 million tonnes of ore with a gold grade range of 1g/t to 1.5g/t.**

*The potential quantity and grade of the Exploration Target are conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Andash Zones 2 and 3 are situated less than one to one and a half kilometres west of the planned Andash Zone 1 open pit where Kentor has previously reported a Resource of **19.2 million tonnes grading 1.1 g/t gold and 0.4% copper** and a Mining Reserve of **16 million tonnes containing 540,000 oz gold and 63,000 tonnes copper.**

Andash Zones 2 and 3 are two of six zones being progressively evaluated in the area surrounding the Andash Zone 1 mining project, the others being Nahodka, Jerganak, Chonkyshto and Toktonysai (see Figure 1 below).

In addition, Kentor has entered into a Letter of Intent with regard to an exclusive option to acquire the Aktash gold-copper deposit where H&S have established an Exploration Target* of **2 to 5 million tonnes grading 2 to 3.5 g/t gold, 0.3 to 0.7% copper and 8 to 12 g/t silver.** The Aktash deposit is located 8 km north-west of the planned Andash plant site (ASX Release 21 July 2010).

*The potential quantity and grade of the Exploration Target are conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Commenting on the result of the exploration review of Andash Zones 2 and 3, Kentor's Managing Director Simon Milroy said:

"This thorough analysis of painstakingly collated historical data using state-of-the-art technology has defined an exploration target that could add 2 to 3 years' life to the Andash operation if further work yields the results we expect.

"As we progress to the full-scale development of Andash, we know that we have the potential through exploration in several prospects in and around Andash of adding substantially to Reserves to expand and extend the mine life well beyond the initial six years.

Andash Zones 2 and 3

Historical exploration work by the Russian authorities has consisted of rock chip sampling, ground based geophysics including magnetic, resistivity and IP, trenching, diamond drilling (17 holes totalling 6,051 metres) and an exploration adit with cross cuts.

The geology of the area consists of a relatively small but complex arrangement of the Andash monzodiorite-granite intrusive occurring at the contact between basalts and tuffaceous sediments (Figure 2). There is a complicated arrangement of later faulting and syenite dykes cutting across the mineralised intrusive. Mineralisation recorded in the surface trenches and the adit work indicates the gold is related to pyrite and chalcopyrite mineralisation i.e. similar to Andash. Some of this mineralisation has been partially to strongly oxidised to limonite and malachite.

The information used to delineate the exploration target was supplied by Kentor as a series of Excel spreadsheets, and H&S have accepted these in good faith as being representative of the deposit. H&S has not visited the immediate Andash 2_3 area or seen the core but is familiar with the geology and setting of the Main Andash 1 deposit.

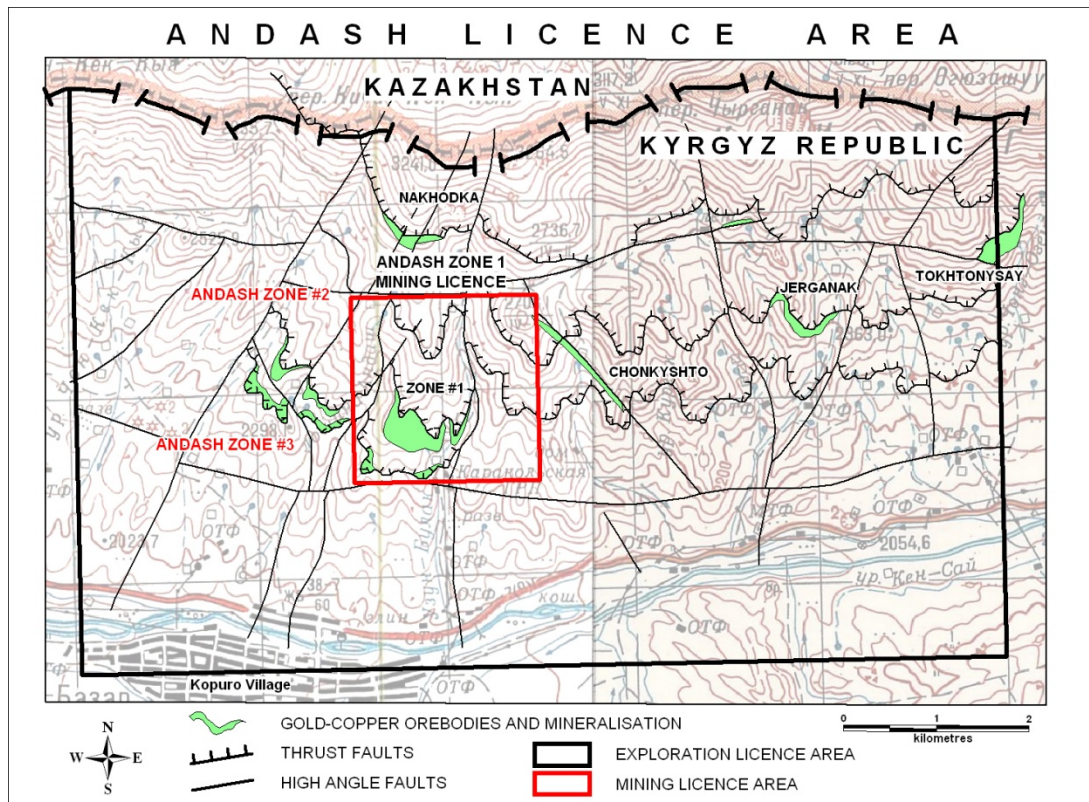


Figure 1: Location of Andash Zone 2 and Zone 3



Drilling Results

The best drill intersection from the Soviet campaign at Andash Zones 2 and 3 was DD27, returning 120.7 metres of core grading 2.14g/t Au and 0.28% Cu. A list of significant intercepts from the drilling is included in a table below using a 0.1 g/t gold and/or 0.1% copper cut off. There appears to be core recovery issues associated with some of the historical diamond drilling, and the possible impact of this is to be investigated in the next stage of the exploration programme.

Type	Hole_id	DH Width (m)	Au g/t	Cu %	From (m)
DD	11	26.0	0.46	na	0.0
DD	13	49.4	0.67	0.17	1.6
	Inc	37.9	0.81	0.21	1.6
DD	13	68.4	1.03	0.32	110.0
	Inc	34.1	1.45	0.36	110.0
DD	27	47	0.43	0.16	233.0
DD	27	15.5	0.96	na	316.0
DD	27	120.7	2.14	0.28	362.0
DD	66	15.5	1.47	0.12	189.0
	Inc	2.0	9.00	0.12	196.5
DD	68	70.5	0.18	0.06	78.5
DD	69	12.5	0.39	0.08	3.0
DD	70	57.7	0.51	0.09	46.5
DD	71	171.8	0.34	0.04	143.4
	Inc	12.8	1.63	0.16	147.2
DD	71bis	16.0	0.72	0.11	148.0
DD	71bis	43.6	0.24	0.06	258.0
DD	72	8.5	0.22	0.29	132.5
DD	72	17.3	0.81	0.13	206.2
	Inc	3.5	2.84	0.59	211.5
DD	73	20.5	0.39	0.10	194.5
DD	73	37.7	0.23	0.11	287.0
DD	74	21.25	0.37	0.15	204.75

Type	Hole_id	DH Width (m)	Au g/t	Cu %	From (m)
DD	74	21.25	0.32	0.11	296.75
DD	8	13.0	0.12	0.22	24.3
DD	9	43.3	0.54	0.16	20.8
DD	P15	90.0	0.73	na	53.0
	Inc	25.9	1.51	na	82.0
DD	P16	13.0	0.31	na	57.0
DD	P16	41.0	0.65	na	206.4
	Inc	6.2	1.19	na	224
DD	P17	47.6	0.36	na	10.4

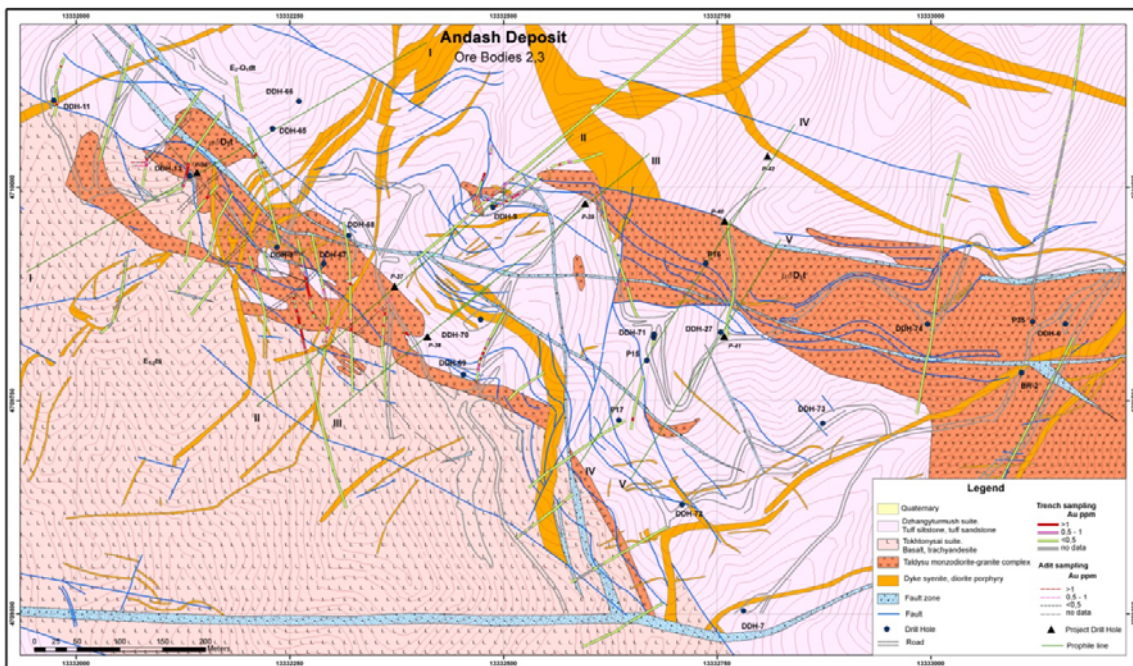


Figure 2: Geology of Andash Zones 2 and 3 showing location of drill holes

Exploration Target

H&S developed an exploration model involving four moderately anomalous zones of gold mineralisation of similar tenor to the Andash Zone 1 deposit. The strike length is estimated at 1.1km with average thicknesses of 25m and an average dip length of 250m (Figure 3). The wireframes were constructed from interpreting diamond drilling, surface trench sampling and underground trial adit sampling. Assessment of the data to indicate the size of the Exploration Target involved a combination of sectional polygonal work and Ordinary Kriging modelling. Using a cut off of 0.5g/t gold the size of the Exploration Target is 5 to 10 million tonnes with a gold grade range of 1g/t to 1.5g/t. It is anticipated that there will be some minor copper credits although the average copper grade is expected to be between 0.05 to 0.15%.

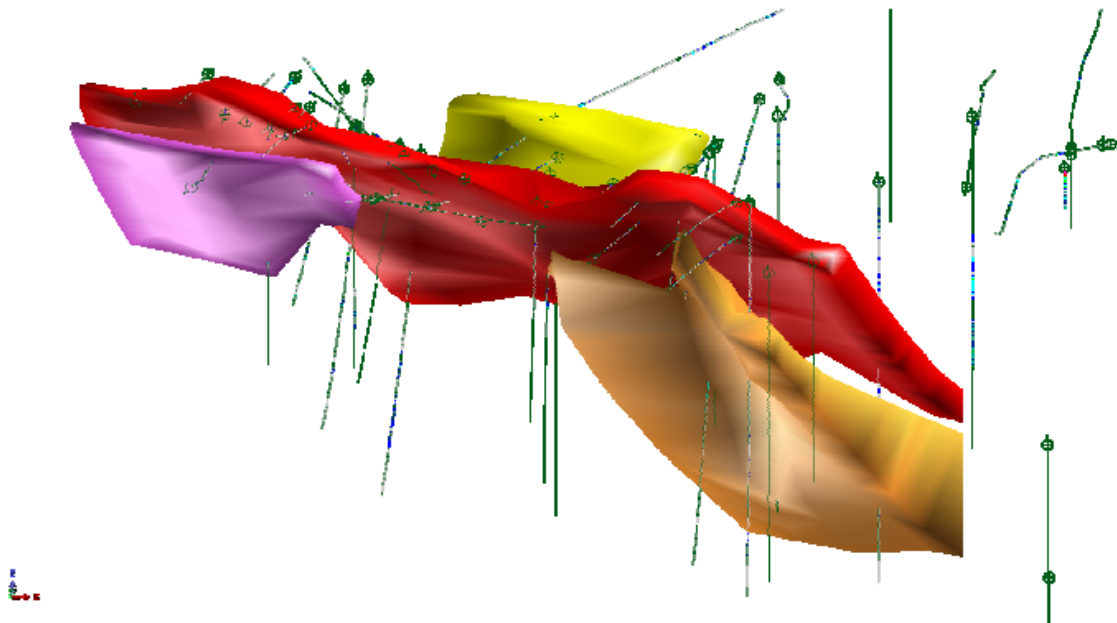


Figure 3: Andash 2_3 3D Mineralisation Wireframes and Drillhole Traces – Pseudo Long Section View

For further information contact:

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Andash JORC Resource Estimate						
Category	Type	Tonnage (kt)	Grade		Metal	
			Au (g/t)	Cu (%)	Au (oz)	Cu (t)
<i>Measured</i>	Oxide	923	0.88	0.50	26,114	4,638
	Sulphide	3,160	1.21	0.47	122,932	14,900
<i>Indicated</i>	Oxide	810	0.85	0.43	22,136	3,510
	Sulphide	14,305	1.11	0.38	510,507	54,260
Total		19,200	1.10	0.40	679,023	77,300

Andash JORC Reserve Estimate						
Category	Type	Tonnage (kt)	Grade		Metal	
			Au (g/t)	Cu (%)	Au (oz)	Cu (t)
<i>Proven*</i>	Oxide	1,129	0.77	0.43	27,995	4,867
	Sulphide	2,921	1.17	0.46	110,210	13,408
<i>Probable*</i>	Oxide	1,389	0.68	0.31	30,155	4,315
	Sulphide	10,559	1.09	0.39	371,370	40,896
Total		16,000	1.05	0.40	539,730	63,486

**Ore Reserve estimated using assumptions of US\$525/oz gold and US\$3,000/t copper*

Competent Persons Statement:

The Exploration Targets and exploration results in this report is based on information compiled by Simon Tear, who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Hellman and Schofield. Mr. Tear 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. Tear has consented to the inclusion of this information in the form and context in which it appears in this report.

The Andash Ore Reserves and Resource estimates in this report are based on information compiled by Dr. Phil Newall, who is a Chartered Engineer and Fellow of the Institute of Materials Minerals and Mining and a full time employee of Wardell Armstrong International. Dr. Newall 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. Dr. Newall has consented to the inclusion of this information in the form and context in which it appears in this report.