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PRESS RELEASE

For Immediate Release

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Teranga Eliminates Hedge Book and Increases Cash Balance in First Quarter

Toronto, Canada: April 16, 2013 – Richard Young, the President and CEO of Teranga Gold Corporation (“Teranga” or the “Company”) (TSX and ASX:TGZ), will speak at the 2013 European Gold Forum in Zurich Thursday where he will be providing an update on the steps taken to strengthen the Company’s financial position. Mr. Young will emphasize that the keys to building a strong financial position are the elimination of the hedge book which will allow the Company to sell all of its production at higher spot gold prices and the reduction of discretionary spending. Highlights of the presentation will include:

Hedge book eliminated – now 100% hedge free:

- The Company eliminated its “out of the money” hedge book on April 15th (average 2013 hedge price was \$803 per ounce).
- Approximately 45,000 ounces were delivered out of production in the first quarter and the balance of 14,500 ounces was closed out earlier this week, making the Company 100 percent hedge free for the first time in its history.

Cash balance rises in first quarter:

- The Company’s cash balance increased by \$11 million in the first quarter of 2013.
- Cash and cash equivalents totaled \$51 million at March 31st.

Reducing 2013 discretionary spending:

- Sustaining and development capital expenditures have been significantly reduced without impacting the timeline for the development of the Company’s first satellite deposit at Gora, where permits are expected in 2013 and production in the first half of 2014.
- Exploration on the Mine License has been reduced while exploration drilling on the Regional Land Package is being minimized at current gold prices. The Agreement in Principle signed with the Government of Senegal earlier this month provides for the extension of five key regional exploration licenses which allows the Company to defer regional exploration activity.
- General and administrative expenses have been reduced but still provide for the necessary support of operations and development.
- The Company will provide updated discretionary cost guidance with its first quarter results.

“We increased our cash balance in the first quarter and even at current gold prices, we are positioned to maintain our current cash balance in 2013 through the elimination of our hedge book and a reduction in discretionary spending. The combination of selling 100 percent of production at spot gold prices and

development of Gora should help generate strong cash flows in 2014 and beyond," said Mr. Young, President and CEO.

About TERANGA

Teranga is a Canadian-based gold company listed on the Toronto Stock Exchange (TSX: TGZ) and Australian Securities Exchange (ASX: TGZ). Teranga is principally engaged in the production and sale of gold, as well as related activities such as exploration and mine development.

The Company's mission is to create value for all of its stakeholders through responsible mining. Its vision is to explore, discover and develop gold mines in West Africa, in accordance with the highest international standards, and to be a catalyst for sustainable economic, environmental and community development. All of its actions from exploration, through development, operations and closure will be based on the best available techniques.

Forward-Looking Statements

This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teranga, or developments in Teranga's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. The words "poised", "gives", "expect", "its vision", "plan", "support", "assist", "commit to", "will not", "intend", "intends to" and similar expressions identify forward looking statements. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. Teranga cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. There is no guarantee that definitive amendments to the Company's mining and exploration licenses will be agreed to in accordance with the terms of this news release. The risks and uncertainties that may affect forward-looking statements include, among others: economic market conditions; and other risks detailed from time to time in Teranga's filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and, except as required by law, Teranga does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this news release should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities.

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