



11 May 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. The Andash Gold-Copper Project which is under development is targeted to annually produce 60,000 oz gold and 6,800 tonnes copper in concentrate. At Savoyardy, Kentor Gold plans further intensive exploration to increase an existing high grade gold Resource for future mine development.

Issued capital:

393 million ordinary shares
56.6 million unlisted options

Market Capitalisation

(10 May. 2010): \$36 million

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**BALL MILL ACQUISITION ENHANCES ANDASH GOLD
COPPER PROJECT ECONOMICS**

Kentor Gold Limited (Kentor Gold or the Company) is pleased to announce the acquisition of the major item of equipment, the primary ball mill, for the Andash Gold-Copper Project.

Commenting, Kentor Gold Managing Director Simon Milroy said:

“Securing this high quality mill on favourable terms is a significant enhancement of the economics of Andash and represents an important advance in the project’s development.”

The ball mill is being supplied by the leading Finnish manufacturer Outotec, with an ABB motor, and has already been manufactured and packed ready for transport to site.

The 6MW mill is 10% larger than was specified in the Andash Project’s Definitive Feasibility Study, and will lead to an increase in the processing plant’s throughput.

However, the total cost to acquire and transport the mill to site is more than US\$1 million cheaper than was budgeted in the Study. The price is fixed and denominated in Euro.

Most of the price is not payable until the mill is despatched in 2011 when it will be required at the site for installation.

The fixed price provides a considerable advantage in the face of both an expected increase in the price of ball mills as the global financial crisis recedes and demand grows, and also expected further rises in the cost of steel, copper and other raw materials



The mill has been manufactured with a six-piece shell and three-piece heads, thus considerably reducing the transport and installation costs.

Mr Milroy said:

“Securing the mill at this stage demonstrates the Kentor Gold board’s confidence in the Andash Project.

“Locking in the acquisition of what is by far the largest piece of equipment for the project removes a lot of risk regarding costs and the project’s delivery schedule.

“The contract for the mill is at a fixed price in Euro which allows the company to capitalise on the current relative weakness in the Euro.”

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

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