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PRESS RELEASE

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COMMERCIAL GOLD PRODUCTION COMMENCES AT SINIVIT NI 43-101 REPORT WITH NEW RESOURCE ESTIMATE FOR IMWAUNA ON TRACK FOR PUBLICATION IN AUGUST 2008

Highlights

- Commercial gold production commenced at the Sinivit Mine, East New Britain, Papua New Guinea.
- Sinivit oxide gold mineralisation extended by excavator trenching 300m north of the northern most drill hole.
- 22,000 tonnes of gold mineralisation will be undergoing leaching in vats in April 2008.
- 47,000 tonnes expected to be undergoing leaching in vats in May 2008.
- 58,000 tonnes expected to be undergoing leaching in vats in June 2008.
- Grade control drilling in the Southern Oxide Pit (see NI 43-101 Report, dated 30th January 2006, page 50, filed on Sedar and the Company's website), has increased the average expected gold grade within the new pit design from 3.82g/t gold to 5.83g/t gold.
- At the Imwauna Project, Normanby Property, Milne Bay Province, Papua New Guinea, the Company has completed an initial internal resource estimate over a 900m strike length of the deposit. This resource estimate will be extended to cover the recently announced 300m north and 300m south extensions of the deposit and should be completed by the end of May. An NI 43-101 Report by an Independent QP is still on track to be released in August 2008.
- The Company's 50% owned subsidiary, Coppermoly Ltd, has announced that it has commenced a 5,000m core drilling program on the Simuku porphyry copper/molybdenum project in West New Britain, Papua New Guinea. Coppermoly also expects to commence exploration at the Mt Nakru project in late April 2008, focusing on further defining previously announced significant gold results in bulldozer trench.
- Pacific Kanon Gold Corporation, in which the Company expects to hold a 30% interest after an IPO now scheduled for later this year, has completed modifications and changes to five NI 43-101 reports on all Kanon projects as requested by the BCSC and these reports will be resubmitted to the BCSC in the immediate future.

Sinivit Mine

Commercial mining and gold production commenced at the Sinivit Mine in April 2008 with the commissioning of Vat 1C lift (a vertical extension of Vat 1C) and Vat 2.

The present and immediate future processing plan is as follows:

Month (tonnes mined)	Vat No	Mineralisation Leaching in Vats (tonnes)	New Mineralisation Placed in Vats (tonnes)
April (18,000)	Vat 1C Lift	6,000	Nil
	Vat 2	16,000	16,000
May (18,000)	Vat 2	23,000	7,000
	Vat 3	18,000	18,000
	Vat 1C Lift	6,000	Nil
June (18,000)	Vat 2	23,000	Nil
	Vat 3	18,000	Nil
	Vat 1C Lift	6,000	Nil
	Vat 4	4,200	4,200
	Vat 5	3,240	3,240
	Vat 6	3,960	3,960
July (18,000)	Vat 3	18,000	Nil
	Vat 4	4,200	Nil
	Vat 5	3,240	Nil
	Vat 6	3,960	Nil
	Vat 7	6,800	6,800
	Vat 1D	20,000	20,000

The average grade of mineralisation placed in the above vats, based on the updated pit design, is estimated to exceed 5.5g/t gold. Based on feasibility and commissioning studies, it is estimated that 50% of the leachable gold will be leached in the first 21 days, with the remaining 50% over the following 50 days. Expected recovery at this stage is 80%. The production of gold in any given vat is thus dependent on time and will decrease over time. Monthly production will show significant variations, particularly depending on the amount of new mineralisation placed in any vat.

Bob McNeil, Chairman and CEO commented: *“until we have the results of several months of mining and leaching we will not attempt to provide accurate monthly forecasts of gold dore production. Also, as we can store relatively large amounts of gold on carbon, in carbon columns, prior to smelting, we intend to take advantage of this fact to allow us to produce and sell dore gold when we perceive the market to be most advantageous. We will not produce dore gold and hold on site because of security risks”.*

A revised southern oxide pit plan, based on grade control drilling to 30m depth has lifted the average grade of mineralisation to be mined from 3.82g/t gold to 5.83g/t gold. This revised grade is based on approximately 130 reverse circulation drill holes, each to a maximum depth of 30m. The extent of mineralisation below 30m, in the pit, is yet to be determined but many of the drill holes terminated in mineralisation greater than 5g/t gold.

Exploration to the north of the proposed Northern Oxide pit has defined the Sinivit mineralisation for a further 300m. At the northern end of the proposed northern oxide pit, drill hole DDH110 intersected 13.5m at 1.82g/t gold from surface to 13.5m (60 degree angle hole). Three excavator trenches across the mineralised zone at intervals of approximately 100m over the 300m north of hole DDH110, gave trench results of 10m at 2.6g/t gold, 20m at 1.5g/t gold and 10m at 1.0g/t gold. Drilling is now testing this zone at depth with diamond core holes

DDH112 and DDH113 completed and assays awaited. Holes DDH114, DDH115, and DDH116 are in progress or will commence in the near future.

Bob McNeil, Chairman and CEO commented: *“although the drill and trench intersections are relatively low grade they confirm the northerly extension of the Sinivit mineralised zone. Much of the present known Sinivit oxide mineralisation is also relatively low grade but average grades are markedly increased by a number of relatively high grade “shoots”. There is a good chance such high grade shoots may ultimately be defined in this northern extension as well. Exploration is continuing to the north and is expected to ultimately test the Sinivit and Kavursuki zones. Kavursuki is a further 500m north of the northernmost trench.”*

To further support the dedicated team at Sinivit, the contractor, HBS Machinery, in association with the Company, has appointed a very experienced earth moving supervisor – Phil Davis. Mr Davis commenced at the site in late March 2008.

Imwauna Project (Normanby Property)

Two diamond core drills continue to define additional gold mineralisation and extend our knowledge of the Imwauna Project. A third drill should be operating in this area by mid-year.

The Imwauna Project is, at present a 1.5km long structural zone, up to 100m wide, with numerous, semi continuous zones of gold mineralisation. The Imwauna Project, in turn, is within a 5 km by 2 km Zone with extensive surface gold anomalism in soils and rock chips, most of which remains to be explored in detail.

At Imwauna, currently drill hole IMD133 is in progress. Approximately 150 drill holes have been completed on this system to allow an initial resource estimation. An “in house” resource has been estimated for the central, 900m long section, mainly within 50 to 100m of ground surface. The system is open to depth.

The estimate is presently being checked and reviewed and will then be extended to cover the recent 300m long northern and southern extensions to the system. The estimate should be completed by late May and will then be reviewed by an Independent QP who will prepare a new NI 43-101 report, expected to be released before August 2008.

Coppermoly Limited

The Company's 50% owned subsidiary Coppermoly Limited raised \$8 million and listed on the Australian Securities Exchange in January 2008. Coppermoly is targeting two former NGG porphyry copper/molybdenum/gold properties in West New Britain, Papua New Guinea, the Simuku and Mt Nakru Projects.

Drilling commenced at Simuku late in March with one diamond core rig. A second rig will commence drilling shortly.

Bob McNeil Chairman and CEO commented: *“these properties have the potential to host very large copper/molybdenum systems. Extensive exploration, both drilling and trenching, has located widespread mineralisation and Coppermoly's objective is to define resources at one or both properties within 18 months. Although not material properties for NGG at this time, if Coppermoly is successful, because of the likely size of the systems, they could become very significant within a short period of time. We await the initial drilling results with great interest.”*

Drill core is logged and split (all by saw) on site with half core being dispatched to, and assayed by accredited laboratory ALS – Chemex in Townsville Australia. Trench samples are continuous channel samples, in either one or two metre intersects. Usually about 3kg is collected and prepared and assayed at ALS-Chemex in Townsville, Australia.

Investors are cautioned that the development of Sinivit is proceeding in the absence of a full feasibility study. These evaluations are preliminary in nature and are based entirely on indicated mineral resources, which have not been categorized as mineral reserves. There is no assurance that the operating and financial projections in the preliminary assessment will be realized. Mineral resources that are not reserves do not have demonstrated economic viability. Measured and indicated mineral resources are that part of a mineral resource of which quantity and grade can be estimated with a level of confidence sufficient to allow the application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit.

Full details of the Sinivit Project are described in an Independent N1 43-101 report dated January 2006 which is available at www.newguineagold.ca.

For further information on this release or on other NGG projects such as the Sinivit Gold Mine, contact Forbes West toll free at 888 655 5532, email forbes@sherbourmegroup.ca or Judith O'Quinn at 604 662 3598, email ngg@telus.net or access our website – www.newguineagold.ca

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'R.D. McNeil', is positioned to the left of a vertical red line.

**R.D. McNeil
CHAIRMAN & CEO**

The TSX Venture Exchange has not reviewed and does not accept the responsibility of the adequacy of this release. The statements made in this News Release may contain certain forward-looking statements. Actual events or results may differ from the Company's expectations. Certain risk factors may also affect the actual results achieved by the Company.