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### **\$3 MILLION LOI WITH VANGOLD FOR THE SALE OF PACIFIC KANON AND FENI ISLAND PROPERTIES: NGG RETAINS CARRIED INTERESTS**

Vancouver - New Guinea Gold Corporation – NGG:TSXV (“NGG or the Company”) announces that it entered into a Letter of Intent (“LOI”) on August 19, 2009 with Vangold Resources Ltd (“Vangold”) to sell the Company’s interest in Pacific Kanon Gold Corporation (“PKG”) and NGG’s Feni property, all located in Papua New Guinea. The purchase price agreed to in the LOI is for CDN\$3 Million plus a 5% and a 10% carried interest respectively.

The details of the sale to Vangold are as follows:

- 30,000,001 common shares of Pacific Kanon Gold Corp. (“PKG”), a private company incorporated in British Columbia;
- NGG’s 20% interest in the Mount Penck Property in Papua New Guinea; and
- a 50% interest in NGG’s Feni Island Property in Papua New Guinea.

The purchase price for the acquisition is CDN\$3,000,000 to be satisfied by a cash payment of CDN\$500,000 and the issuance of a number of Vangold common shares (the “Payment Shares”) equal to 19.9% of the issued and outstanding Vangold common shares following a proposed re-organization of Vangold (see Vangold News Release dated August 20, 2009.) The cash payment will be made within two business days of approval of such payment by the TSXV. The Payment Shares will be issued upon completion of Vangold’s proposed reorganization and the proposed consolidation; provided that the reorganization is abandoned or is not completed, the Payment Shares will be issued on or before May 19, 2010.

NGG has agreed to assist Vangold in running the properties to be acquired under the letter of intent during the transition period. NGG is not required to provide funding to any of these properties until a bankable feasibility study has been completed. The letter of intent also provides that Vangold will provide NGG a carried interest of 10% in the Feni Island Property, 5% in the Mount Penck Property and 5% in the Alamada and Ferguson properties held by PKG.

Bob McNeil, Chairman and CEO commented, “ We are pleased that this transaction essentially completes the corporate restructuring of NGG’s Kanon interests. We regard this deal as favourable for both NGG and Vangold. For NGG it achieves a similar outcome to the formerly proposed IPO for PKG. It provides NGG with \$500,000 cash immediately, enabling us to acquire additional equipment at the Sinivit mine which will assist in increasing production; it relieves NGG of any additional exploration funding for the PKG and Feni properties and allows us to focus on our key Sinivit, Imwauna and Weioko projects; it provides NGG with significant upside in that NGG will retain an effective 25% interest in the PKG properties and a 30% interest in the Feni property through the Company’s newly combined shareholding in Vangold and the Company’s carried interests in the PKG properties.”

For Vangold it consolidates ownership in four attractive properties which should allow Vangold to effectively and more easily fund on-going exploration and development. NGG has had a very successful relationship with Vangold for the past six years and we are looking forward to a continued rewarding association.

For further information on this release or on other projects, contact Forbes West toll free at 888 655 5532, email [forbes@sherbournegroup.ca](mailto:forbes@sherbournegroup.ca) or Judith O’Quinn at 604-662-3598, email [ngg@telus.net](mailto:ngg@telus.net) or, access our website – [www.newquineagold.ca](http://www.newquineagold.ca)

ON BEHALF OF THE BOARD

“R.D. McNeil”  
CHAIRMAN & CEO

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