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PRESS RELEASE

PRODUCTION, DEVELOPMENT and EXPLORATION UPDATE

Significant progress is being made, or planned for all key New Guinea Gold Corporation (NGG) and Pacific Kanon Gold Corp. (PKG – 50% owned by NGG) projects. Drilling is underway at three projects now and will commence at a further two projects in April. NGG is not losing focus on its principal projects. However, drilling must be completed on these other projects to meet Government requirements to keep the exploration licences in good standing.

Sinivit Project (92% NGG)

The Sinivit Mine is moving steadily ahead although various problems, relating to weather and the mine's remote location, continue to be encountered. As at March 19th a total of 72,500 tonnes in vats containing an estimated 11,000 ozs of leachable gold were on line and being processed (see below for discussion re leaching at Vat 2) In addition, the crushed ore stockpile awaiting placement in vats was a further 26,000 tonnes containing an estimated 4,700 ozs of leachable gold (also see below for explanation). Two further vats are under construction and will be completed over the next four weeks.

Difficulties with high solution volumes in vats and supply chain problems due to remote location, resulted in lower than anticipated gold production in January and February, but March should yield significantly higher output. At this time it is apparent we will not meet forecast of 4,500 ozs for the first quarter of 2009, but it is not yet possible to quantify the variance. Production figures for the first quarter should be available by mid April. Production figures are not final until "dore" is sold and final analyses of dore received.

As is normal industry practice, in future, production figures will only be released after the end of each quarter. Since upgrades to mining rate and crushing/screening capacity are not yet complete, the quarterly production guidance given earlier this year is withdrawn and, until production reaches a steady state, further quarterly production guidance will not be given.

VAT INFORMATION:

Vat	Tonnes in Vat	Leachable Grade (g/t gold)	Percent leached at March 10, 2009	Leachable gold remaining (ozs)	Status
1	7,000	4.26	77.2	-	Vat 4 now built over Vat 1. Vat 1 decommissioned
2	21,500	3.90	60.6	1,000	On line but leaching very slowly. De-commissioning likely to commence soon to allow Vats 5,6 & 7 to be built over Vats 2 & 3
3	24,500	2.76	53.6	-	De-commissioning in progress to allow Vats 5,6 & 7 to be built
4	14,000	6.97	60.2	1,300	On line
A	18,900	2.60	66.3	500	Off line at present
B	10,000	8.73	21.0	2,200	On line
C	9,100	6.03	17.1	1,800	On line
D	10,700	7.45	0.0	2,600	On line from 10/3/09
H	7,900	6.27	0.0	1,600	On line from 19/3/09

The totals from the main on-line vats 4, B, C, D & H at March 19th 2009 are: tonnes – 51,700 (92,100 including Vat's 2 and A), leachable gold remaining – 9,500 ozs (11,000 ozs with Vat 2 and A). In addition a further 4,700 ozs of leachable gold are in crushed ore stockpiles.

With Vats D and H both containing relatively high gold values, and coming on line in mid March, gold production should increase significantly for the second half of March and April. The stockpiles, which are also relatively high grade, should allow continued, relatively consistent, production throughout the rest of the second quarter 2009.

Vat 2 is still “on line” but de-commissioning is likely to commence within 4 weeks to allow, together with Vat 3, for Vats 5, 6 and 7 to be built above Vats 2 and 3.

Because of high solution levels in January and February, caused by excessive rainfall and absence of canvas to cover vats, we were unable to process some vats or processing was reduced as cyanide levels in leachate solution was allowed to decrease as a safety measure. The high solution levels have been remedied by the arrival on site of additional canvas with which to cover vats; by using Vat L as an emergency sump; and preparing a second emergency sump below Vat 3 (called Vat 3 containment). Solution can be pumped into these sumps and neutralised or stored and reused as appropriate.

Vat construction and vats being brought on line, were also delayed in January and February as a consignment of HDPE plastic for lining new vats and canvas for covering vats (and preventing rain water egress) was not supplied in a timely manner as it “missed” the monthly ship from Brisbane to Rabaul (site). This consignment arrived one month late.

Leachable grade quoted above is the gold which can be leached from the crushed material using cyanide leach, “bottle roll” tests. The leachable grade is less than the total gold content but is a measure of the extractable gold in the mineralisation. Thus leachable gold remaining, as indicated in the table above, is the

theoretical total gold which can be obtained from the current processing but in practise we would expect a recovery of approx. 80% of that figure.

We are continually investigating and implementing procedures to increase the recoveries. The low recoveries for Vat 2 and Vat 3 after six months of leaching were caused by three factors – lower gold grades; early mined surface gold material contained greater amounts of fine material which reduced permeability in vats; and Vat 2 and Vat 3 were large, deep vats which also resulted in lower permeability. Although Vat 3 has only 54% recovery, further recovery was slow and this vat is being de-commissioned to allow further vats to be built above it.

New vats constructed since Vat 3 are rectangular and 5m to 6m deep – not 20m as for Vat 2. It is possible that further gold could be extracted from Vats 2 and Vat 3 over time, but these vats are being (or will be) decommissioned to allow new vats to be built above them (as Vat 4 is built above Vat 1).

Crushing availability has improved in first quarter 2009 but we are still investigating increasing our mining rate and crushing/screening capability. We are at present in discussion for the purchase of an additional drill and blast rig, cone crusher and screens. We anticipate finalizing this purchase in April 2009, so that it contributes to mine production beginning in May 2009.

Drill definition, using an RC rig and diamond core rig (both owned by NGG), of both oxide gold mineralisation and sulphide (copper/gold/tellurium) mineralisation recently recommenced after a two month stand down. Drilling continues to favourably expand our knowledge of both styles of mineralisation and results will be released at the end of each program.

Imwauna Project (Normanby Property – 100% NGG)

The Imwauna Project is on Normanby Island in Milne Bay Province, Papua New Guinea. Diamond core drilling, using an NGG owned and operated drill rig, resumed at Imwauna in February using one diamond core rig. A further drill rig will be added to the program at the completion of the Weioko drill program in May and a third in June on the completion of the Allemata drilling program (both owned and operated by NGG).

A Preliminary Assessment/Feasibility Study is underway to determine economic and other parameters for possible commencement of mining in 2011. The present Inferred Resource is 1.8Mt at 12.2g/t gold and 20g/t silver for 706,000 ozs gold and 1,160,000 ozs silver. The mineralisation is “free milling”, not refractory, and commences at surface.

The present drilling will target upgrading the Resource to Indicated/Measured status (since inferred resources cannot be used in a Feasibility Study), and to provide metallurgical samples for metallurgical testing. Approximately 7,000m of drilling is planned and should be completed by October/November 2009. Step out, deeper and reconnaissance drilling will commence later in 2009. An updated NI 43-101 Report is expected to be completed by the end of the first quarter 2010.

Weioko Project (Sehulea Property – 100% NGG)

The Weioko Project is on Normanby Island, 10 km NE from the Imwauna Project. In accordance with our exploration permit, approximately 15 drill holes totalling 1,200m are planned to test higher grade gold in trench intersections and geophysical targets which may represent extensions of the Weioko gold mineralisation. Five holes have been drilled and the program should be completed by May 2009. Assay results will become available in approximately 4 to 6 weeks.

The above drill holes are in addition to 40 earlier holes and should provide additional data to allow estimation of a resource later this year in compliance with the guidelines of NI 43-101. Any development of this project would likely occur in conjunction with development of the Imwauna Project.

A more detailed release on the potential of this property is in preparation for release in April.

The drill rig used is owned and operated by NGG and will return to Imwauna on completion of this program.

Mt Penck Project (PKG 80%, NGG 20% - effective 60% NGG)

The Mt Penck Project is in West New Britain Province, about 60 kms by road from the provincial capital of Kimbe.

In accordance with our exploration permit, drilling is scheduled to commence on this project, using two drills owned by PKG, early in April 2009. Approximately 25 holes totalling 3,000m are planned in the first phase, targeting further definition of the Kavola East mineralisation, testing of high grade trench results (such as 3m at 180g/t gold, previously announced) and other targets within the licence area.

At the conclusion of this program there should be sufficient data to estimate a resource in compliance with guidelines of NI 43-101.

A more detailed description of the project including locations of holes to be drilled will be released in April 2009. Assay results should start to be released in late May 2009.

Allemata Project (PKG – 100%, effective 50% NGG)

The Allemata Project encompasses the old Milne Bay Goldfield which is SE of Alotau, Provincial capital of Milne Bay Province, PNG. It has good road access to Alotau.

In accordance with our exploration permit, a 15 hole, approximately 1,000m drill program, using a NGG diamond core drill rig, on hire to PKG, is expected to commence in April.

A more detailed description of this project will be released in April, with details of holes planned.

First drill assay results should become available in late May 2009.

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

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

The information in this release was prepared under the direction of Robert D. McNeil a Fellow of the Australian Institute of Mining & Metallurgy and a “qualified person” as defined by National Instrument 43-101. Mr McNeil has read and approved the information contained herein.

ON BEHALF OF THE BOARD



**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.

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