

**Head Office:**

Suite 422-470 Granville Street
Vancouver, B.C., Canada, V6C1V5
Phone: +1 604.662.3598
Fax: +1 604.669.6257
Email: ngg@telus.net

Australia:

P.O. Box 7996
Gold Coast Mail Centre, Qld 9726
Phone: +61(7)5592.2274
Fax: +61(7)5592.2275
Email: info@newguineagold.ca

Trading Symbols: TSX-V: **NGG**
Frankfurt: **NG8.FSE**
Web Site: www.newguineagold.ca

13th January 2009

PRESS RELEASE**GOLD PRODUCTION AT SINIVIT INCREASES TO 3,560 OUNCES IN Q4
TRIPLE Q3 PRODUCTION LEVELS**

Gold production at the Sinivit Mine (92% NGG) in East New Britain, Papua New Guinea for the fourth quarter 2008 was 3,560 ozs plus 633 ozs silver up from 1,170 ozs gold and 243 ozs silver in the third quarter and as against forecast production for the fourth quarter in the Management and Discussion Analysis (MD & A) of 3,500 ozs gold.

The above production represents gold produced to mid December only - no gold was produced in the second half of December due to security reasons and Christmas / New Year holiday period. Vat leaching and deposition of gold onto carbon continued throughout the whole month with gold leached, or on carbon, in the second half of December expected to report to the January production figure.

The first tranche of the CAD\$3 million Convertible Note Issue closed in late December 2008 at CAD\$2,438,000 (net to NGG of CAD\$2,186,995 after all costs). The remainder of the CAD\$3 million offering is expected to close in late January 2009. These funds will be used in part to strengthen NGG's balance sheet and to provide funds to increase processing capacity and thus gold production to 8,500 ozs per quarter by third quarter 2009.

Forecast production for 2009 remains as stated in the September quarter MD & A - 4,500 ozs in quarter one, 2009; 7,000 ozs in quarter two, 2009; 8,500 ozs in quarter three, 2009; and 8,500 ozs in quarter four, 2009. These figures remain achievable **provided** the process upgrade can be completed as scheduled by end of first quarter 2009.

Cash at the end of December was approximately AUD\$4.2 million after repayment in December of AUD \$0.6 million (approximately) to the Bank of South Pacific.

In view of the Company's strengthened cash position, and expected gradual increase in gold production, drilling will commence/recommence at several projects over the next few months including NGG's 100% Weioko Project (Sehulea Property), 100% Imwauna Project (Normanby Property), Pacific Kanon's Mt Penck (NGG 60%) and Allemata (NGG 50%) Projects. NGG and Pacific Kanon own and operate 6 diamond core drill rigs and

one RC/diamond combined drill rig. NGG's associate company, Coppermoly Ltd owns and operates a further 2 diamond core drill rigs.

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 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

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.