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PRESS RELEASE

New Guinea Gold Strategy and Operations Update

Vancouver BC, October 7, 2009. New Guinea Gold Corporation (NGG: or the Company) today provided the following update for investors:

Corporate Strategy

As part of its business and development strategy, in 2008 NGG announced a corporate restructuring designed to spread development risk, while retaining project upside. NGG has now successfully executed this restructuring, and is moving to a new, more focused development strategy.

“From early in 2010, we expect our partners will resume an aggressive exploration program on projects in which we hold an interest,” said Chairman and CEO Bob McNeil. “NGG’s plan is to focus on expanding resources at Sinivit and Weioko, and improvement in processing and mining operations at Sinivit. At the same time, investors will benefit from rapid development progress and any new discoveries made with our partners at Imwauna, Pacific Kanon, and Coppermoly.”

Results To Date:

- In early 2008, the first part of the restructure was completed with the successful listing of Coppermoly on the Australian Securities Exchange. Coppermoly has just raised AUD\$2.2 million to continue its exploration / development activities.
- In August 2009, NGG signed a Letter of Intent with Vangold Resources Ltd regarding the sale to Vangold of its shares in Pacific Kanon Gold, (three projects), and its equity in Mt Penck and Feni properties. The purchase price agreed to in the LOI is for CDN\$3 Million plus a 5% carried interest in the PKG properties, and a 10% carried interest in the Feni property. We have received \$500,000 in cash, and will ultimately have a 19.9% interest in Vangold after its announced reconstruction.
- In September 2009, NGG entered into an Option Agreement with a Private Company which provides the Private Company the right to acquire a 50% legal and beneficial interest in the Normanby's (EL 1091) Imwauna property for a series of cash payments totalling \$1 million, plus the purchase by way of private placement of \$1 million worth of New Guinea Gold common shares. In addition, the Private Company must complete exploration expenditures totalling a minimum of \$5 million over two years.

“These transactions are designed to significantly increase the rate of exploration and development on a group of high potential properties, while retaining upside potential and providing cash or securities convertible to cash to NGG for use in its existing key projects,” said Bob McNeil.

“In the Vangold transaction, NGG has secured \$500,000 cash, the Company has no additional exploration and development funding for the PKG and Feni properties, and NGG retains significant upside through an effective 25% interest (includes equity in Vangold), in the PKG properties, and a 30% interest in the Feni property.

The Imwauna option transaction provides for the expeditious development of this important high grade gold property, without further immediate spending by NGG, while also providing NGG with significant upside through a retained 50% interest in the property.”

Financial Condition

As at September 30, 2009, New Guinea Gold had cash of AUD\$1.023 million. This figure does not include the result of sale of gold from September production.

In addition, the Bank of South Pacific has agreed to postpone further loan repayments until February 28, 2010. The amount owing to the Bank of South Pacific is approximately \$800,000.

Sinivit Operations

Production in Q3 is not yet finalised although September production has been delivered to the buyer / refiner we have not yet received the figure for contained gold. We will not receive the final gold number until after October 20, as assays will not be completed until that date. Duplicate samples have been forwarded to ALS – Chemex in Townsville Australia, but these assays will also take several weeks to complete.

Management anticipates improved production in the fourth quarter, as additional mining equipment arrives on site in mid October. These comprise two CAT 730 6x6 Articulated Dump Trucks; one Hitachi 2x450H 45 Tonne Excavator and one CAT D5G Bulldozer. This equipment will allow better flexibility in wet weather, and bring the equipment on site back to the status prior to the dispute with former contractor, HBS Machinery.

The total purchase price for this equipment is AUD\$860,000. A deposit of AUD\$200,000 has been paid, and until the sale is finalised, NGG will rent the equipment. We intend to seek leasing finance to cover the cost of this equipment at a later date.

This equipment will supplement the leased equipment on site which includes several 30 and 20t excavators, and up to four conventional “road trucks”.

Ore from the high grade discovery announced September 14, 2009, outside the Northern Oxide Zone is presently being mined and will be processed in October/November. The Company has also initiated a study designed to determine the feasibility of installing a CIL or CIP process plant to enhance recovery.

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

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@sherbournegroup.ca or Judith O'Quinn at 604 662 3598, email ngg@telus.net or access our website – www.newguineagold.ca

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.

ON BEHALF OF THE BOARD

R.D.McNeil
CHAIRMAN & CEO

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