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PRESS RELEASE

NEW GUINEA GOLD STRATEGY UPDATE

- *Refinanced and streamlined*
- *Re-organized board*
- *Sinivit expansion and value enhancement*
- *Joint ventures and partnerships*

New Guinea Gold Corporation (NGG) has recently completed the raising of \$5.1 million and the Joint Venture of and/or sale of assets to Vangold Ltd and private company 7238550 Canada Ltd. This strategy, which has taken several years to complete, (also includes retaining a 23% holding in Coppermoly Ltd and 10% carried interest in the Crater Mt Project) allows NGG to retain interests in 10 gold and/or copper/molybdenum projects in Papua New Guinea. Without sufficient capital to fund exploration and take to development all of its projects, our strategy has been to allow other corporate entities to further fund most projects while retaining a significant upside potential.

NGG is now refinanced and streamlined, has revised its Board and Management structure, and together with new major shareholders (Skana Capital and Mr Ricardo Salinas), and Joint venture partners has the capacity to build NGG into a significant mining company.

NGG's focus is now on its Sinivit Gold Mine; improving gold production; assessing the tellurium potential of both the oxidised and mined/crushed mineralisation in vats and within the deeper sulphide mineralisation; and assessing the potential for locating additional economic mineralisation, both oxide and sulphide, along the 10 km long Wild Dog or Sinivit structural zone.

SINIVIT PRODUCTION

Gold and silver production for the December quarter totaled 1,474.5ozs and 325.9ozs respectively. Monthly production was as follows:

October	-	461.9ozs gold and 96.4ozs silver
November	-	317.3ozs gold and 85ozs silver
December	-	695.3ozs gold and 144.5ozs silver

NGG expects gold production to increase in 2010 as a result of the newly acquired mining equipment and a possible change in the processing method.

By March 2010, the Company will have sufficient equipment on site so that mining, vat building and filling requirements are not reliant on extended dry weather, but should now be able to be accomplished regardless of weather.

- In October, NGG acquired two CAT 730 6x6 articulated dump trucks; one Hitachi 450H 45t excavator, and one CAT D5G bulldozer. NGG now owns this equipment subject to a business loan of Kina 3 million with the Bank of South Pacific, repayable monthly over 24 months. The previous loan from the Bank of South Pacific has been fully repaid.
- We have since then added, as NGG fully owned equipment, a further D7 bulldozer, two further CAT 25t excavators, a CAT grader, a CAT tool carrier, and a further CAT 730 6x6 articulated dump truck. All this equipment will not be on site and operating until the end of February. It has been purchased using funds raised by the recent placements. In the meantime, we continue to use less effective hired road trucks and excavators.
- The additional cone crusher purchased mid 2009 has been refurbished and should be on site and operating in early March 2010. This, together with a more extensive crusher parts inventory should substantially increase crushing capacity by Second Quarter 2010.

Production, as originally envisaged of 2,500 ozs to 3,000 ozs per month is unlikely to be achieved on a consistent basis without a change in the processing method. The VAT leach process we are using has been shown to have significant shortcomings in difficult terrain and high rainfall areas.

As previously reported, NGG is studying converting the processing route to a variation of CIP, which we have designated CIC or Carbon in Column. Basically this would require us to mill new mineralisation and re-treat existing crushed mineralisation already in vats by grinding in a mill to nominal size of minus 100 microns, leach the gold in tanks, and collect the gold in existing carbon columns. Residue time in tanks is expected to be approximately 48 hours and anticipated gold recoveries by such a process would be between 90 and 95%, rather than the present 60 to 70%. At present it takes up to 12 months to extract all recoverable gold from a vat. The capital and operating costs required to effect these changes are being assessed to determine if we should proceed.

SINIVIT TELLURIUM

A recent review of historic exploration reports has revealed further details of the presence of the metal tellurium within the Sinivit Vein System. In August and October 2008, NGG issued media releases concerning the tellurium potential in the **primary sulphide zone** where assay information from an historic drill hole (WDD024) had identified tellurium values ranging from 140g/t to 1,600g/t over an interval from 138.65m to 144m downhole. Tellurium averaged 1,097g/t, gold 6.9g/t, copper 1.1% and silver 25g/t.

This recent review has identified the presence of tellurium in the **"oxide zone"** (the focus of the gold vat leaching operation) from both historic drill information (WDD021) and a petrological report. Hole WDD021 (City Resources 1986) encountered a 14.7m interval between 7.15m and 21.85m downhole which averaged **10.7g/t gold and 1,110g/t tellurium**. This hole was drilled into the oxide zone of the Central Vein at

Sinivit. Both copper and silver are substantially leached from the oxide zone. A petrological report on 13 rock chip samples also identified tellurium in the oxide zone utilizing optical and electron probe studies. The minerals identified, included; native tellurium, tellurobismuthinite, altaite, rickardite, hessite, petzite and calaverite.

We were not previously aware that significant tellurium was present in the oxide zone and believed that most tellurium, copper and silver had been leached from the near surface zone. These historic results suggest there may be significant tellurium – of the order of 500g/t to 1,000g/t (100,000kg to 200,000kg contained tellurium) in the approximately 200,000 tonnes of crushed mineralisation presently in vats. Tellurium is also expected to be present in similar quantities in the remaining oxide gold mineralisation yet to be mined (quantity of mineralisation not yet defined).

NGG urges caution in accepting the estimates above until the bulk sampling, noted below, has been completed.

In the sulphide zone beneath the oxide zone NGG has completed tellurium assays on some 68m of RC drill samples (see Press Release dated October 4, 2008 for details). These 34 results confirmed historic tellurium assays, and averaged 576g/t tellurium, 9.92g/t gold, 1.8% copper and 55g/t silver. The copper and silver results are an order of magnitude greater in this zone than in the oxide zone, (the focus of present mining). An historic hole in the sulphide zone reported in a Press Release dated August 19, 2008, averaged 5.35m at 1097g/t tellurium.

The tellurium assaying of the sulphide zone mineralisation to date suggests that, associated with gold, silver and copper mineralisation, tellurium values in this zone could average between 550g/t and 1,200g/t (current value of between US\$100 and US\$216/tonne of mineralisation).

NGG believes the historic assays to be accurate and can be relied upon, (based on NGG's recent tellurium assays), but investors are cautioned that the historic assaying was carried out prior to the requirement for accreditation of laboratories.

NGG is embarking on a comprehensive program of sampling to allow a better understanding of the distribution of, average content of, and metallurgical recovery of, tellurium. This program will involve bulk sampling of material presently in vats using an excavator and auger drill; re-assaying approximately 70 composite samples from several hundred metres of RC drill pulps; channel sampling within the open pit; and re-assaying composite sulphide intersections from historic diamond core drill holes. This program will take approximately 2 months to complete.

Tellurium is often difficult metallurgically to recover, and we intend to undertake comprehensive metallurgical testing of material from different parts of the system. We are in discussions with several interested groups re this testing and initially several composite samples will be tested by an interested mineral buyer in the USA.

About Tellurium

The vast majority (around 80%) of the tellurium produced elsewhere in the world today is a by-product of copper smelting and electrolytic refining - the metal being recovered from the anode slimes.

Tellurium is the scarcest of all by product metals except for gold. Crustal abundance is 0.005ppm. It is considerably enriched in copper ores (1.5 – 3ppm).

Tellurium has a range of applications. It is used in blasting caps and rubber processing; it makes a good vulcanizing agent and catalyst in synthetic fibre production. It is being used increasingly in electronics for such applications as Phase Change memory, Blu-Ray discs, Peltier and Thermo-electric Coolers in Thermal Images. In recent years, the potential in thin-film cadmium telluride (Cd/Te) photovoltaic cells, used to generate electricity from solar cell power plants, have grabbed investor attention pushing the price up dramatically in 2008 to around US\$300/kg from US\$12/kg in 2000. The current price (January 2010) is around US \$180/kg.

SINIVIT EXPLORATION

The Sinivit Project has the potential to be substantially larger than is suggested by the current modest resources.

As stated earlier, NGG will now focus on defining the size of the Sinivit system. It is important to note here that the Sinivit system has been traced, using gold/copper and tellurium anomalism, over a strike length of more than 10kms. Less than 2kms of this zone has been explored in detail and even in this part of the system, exploration, in most cases, has not exceeded 100m vertical depth.

The proposed exploration which is budgeted at \$2 million can be divided into five parts:

- Detailed, close spaced RC drilling to define the immediate 30m below the pit floors (as we reach the present pit limit of 30m). This work is expected to commence in the Second Quarter 2010 and continue throughout 2010.
- Detailed trenching and RC drilling to define the extent of the present Inferred Resource at Kavursuki – 1.5kms north of the northern oxide pit. This work is in progress and should be completed in Second Quarter 2010. It is expected to add resources to the current mine plan.
- Definition of the sulphide (gold/copper/tellurium) potential at depth along the Wild Dog structure. Diamond core drilling has demonstrated the presence of potentially mineable widths and grades at depth below the oxide zones. The potential target area is however large, and we plan to undertake a 3D Induced Polarization (IP) survey to define the better target areas for testing by diamond core holes. This survey is similar to the successful survey carried out by Coppermoly at Mt Nakru, the results of which contributed to Barrick Gold's interest in that area and subsequent Joint Venture. This work is scheduled for April 2010.
- Porphyry copper mineralisation has been located just to the west of the Sinivit System, and may in fact be related to the mineralisation at Sinivit. The 3D IP Survey will be extended to cover this zone.
- A recent review of historic outcrop sampling along the 10km strike of the Wild Dog Structural Zone has revealed the presence of gold and tellurium at many locations.

Examples are at the Mengmut vein, located 1km southwest of the Mt Sinivit Lease, where an outcrop sample assayed 19g/t gold, 0.73% tellurium, 1.25% copper and

381ppm molybdenum. Outcrop sampling in the vicinity of the Muruk Vein located approximately 5kms southwest of the Mine Lease identified tellurium in two samples (77ppm tellurium and 90ppm tellurium). At Steel Creek Veins, located 1 km west of Muruk vein, an outcrop sample had assayed 32ppm tellurium (9.6g/t gold and 158ppm silver).

Numerous rock samples have been collected which assay from less than 1g/t gold to in excess of 100g/t gold.

These assays highlight the known distance over which the gold/telluride mineralisation occurs in the Wild Dog Structural Zone and justifies detailed follow-up exploration.

The IP survey will be extended to cover parts of this zone and will be completed in conjunction with excavator trenching in areas of anomalous gold float.

JOINT VENTURES/SHARE HOLDINGS IN ASSOCIATED RESOURCE COMPANIES

NGG's interests in the various projects in PNG are displayed on the accompanying chart. NGG's principle interests outside its 93% owned Sinivit Mine (and project) are its 23% interest in Coppermoly Ltd (two projects), its 17% interest (plus individual carried interests in four projects) in Vangold Resources Ltd, and its J/V with private company 7238550 Canada Ltd, (which may earn a 50% interest in the Normanby and Sehulea Projects).

Other interests are the 10% interest, carried to Bankable Feasibility Study, in the Crater Mt projects (see Press Release dated February 2, 2010).

The Vangold and 7238550 Canada Ltd deals were recently described in Press Releases dated February 1, 2010 and February 4, 2010.

Bob McNeil CEO and Chairman commented: *"the completion of these transactions with Vangold and 7238550 Canada Ltd will now allow NGG to focus on, and further develop, its 92% owned Sinivit Mine and Project. In addition, although Vangold and 7238550 Canada Ltd will manage their exploration and subsequent development, NGG, because of its expertise in PNG will be intimately involved in the operations of both companies".*

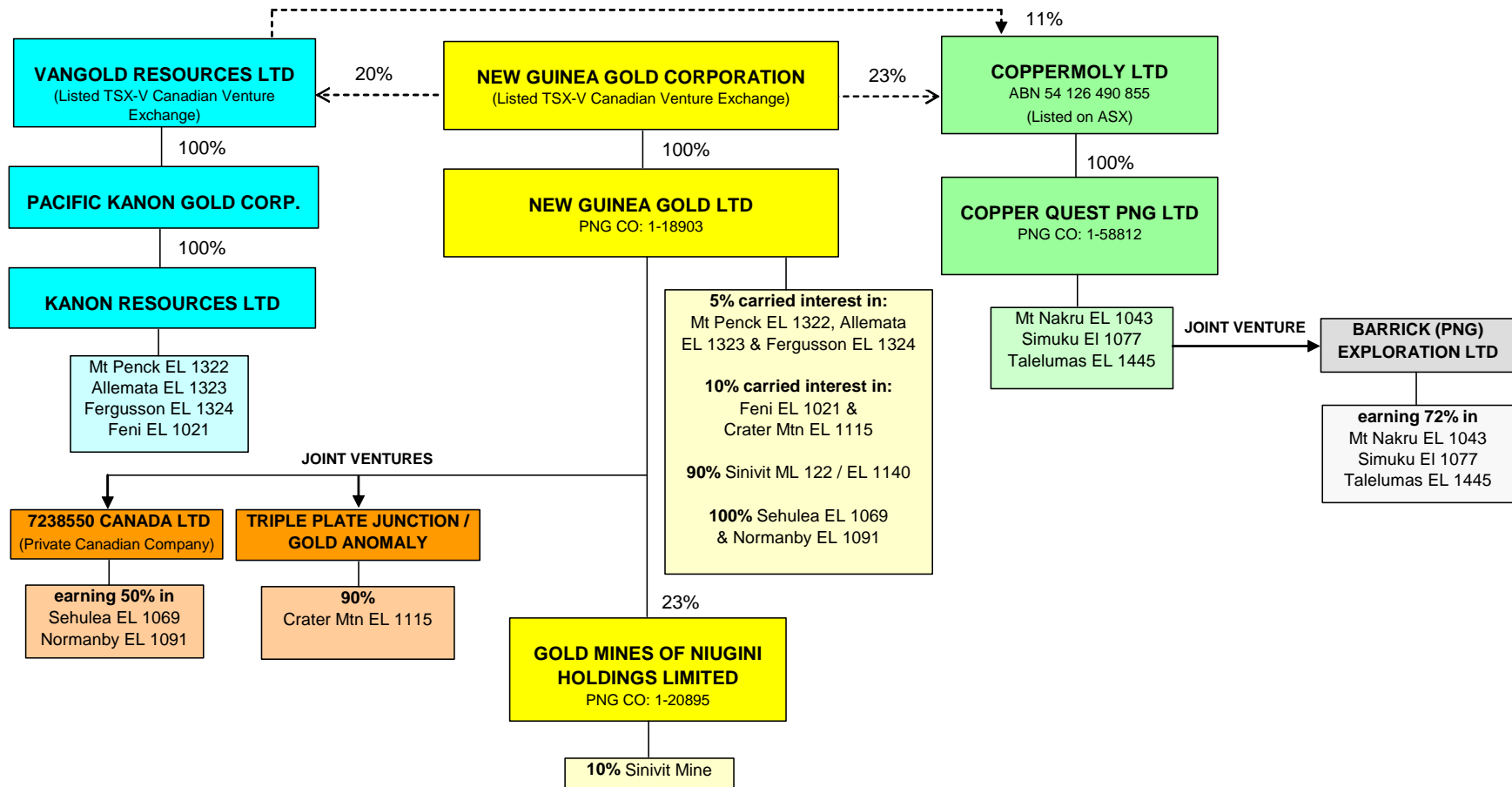
DIRECTORS AND MANAGEMENT

In a Press Release dated 3 February 2010, NGG outlined changes to the Board and Management which should help the Company complete the strategy outlined in this Press Release.

The addition of new significant shareholders will add considerable financial strength to the company going forward.

NEW GUINEA GOLD CORP.

Corporate Structure



The information in this release was prepared under the direction of Robert D. McNeil a Fellow of the Australasian Institute of Mining 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 Mine are described in an Independent N1 43-101 report dated January 2006 which is available at www.newguineagold.ca and in its recent Press Releases.

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.

ON BEHALF OF THE BOARD

R.D.McNeil
CHAIRMAN & CEO

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