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PRESS RELEASE

NEW GUINEA GOLD: SINIVIT PRODUCTION UPDATE

Vancouver, BC, December 7, 2010: New Guinea Gold Corporation (NGG:TSX-V) announces that it has filed its third quarter financial statements and Management Discussion and Analysis on SEDAR on December 3, 2010. In the three months ended September 30, 2010, NGG produced 1,503 ounces of gold (gross value US\$4,882,587) compared to 1,078 ounces in the second quarter (gross value US\$3,475,659).

In comparison to the quarter ended June 30, 2010 all aspects of production improved; i.e. gold produced, purity of dore, run of mine material crushed and tonnes placed for leaching.

The percentage of gold in dore increased from 9.5% in July to 14% in August and September thanks to recently instituted operational enhancements. The pattern of processing improvements has continued in more recent results: gold content in October was 24.8%, nearly double the previous month, and increased again to 34.2% in November.

The October gold content was the best result in the past 10 months while the November result was the highest for the prior 16 months. These results reflect the on-going improvements, particularly in vat and processing management and the crushing circuit. Overall operations have also benefited from the relatively dry weather conditions during the period.

Sinivit has now successfully implemented heap leaching to augment the vat leaching process and is realising lower unit costs as a result. Coupled with increases in crushing capacity, the Company believes the financial fundamentals of the project have been placed on a firmer foundation.

The metallurgical characteristics of the Sinivit ore still to be mined; specifically the increasing copper content, present a challenge to achieving further operational and processing improvements. The Company believes that longer term the project will be better served if processing can transition to using pulverised ore; e.g. milling and leaching of ore in a standard carbon-in-leach/carbon-in-pulp (CIL/CIP) plant. This would yield not only better gold recoveries from *in situ* mineralisation (the quantity of which is subject to ongoing exploration) but it would also allow re-processing of the crushed ore presently in vats and on heaps to extract the residual gold, representing approximately 20,000 ounces.

To confirm the economic viability of such a change in processing will first require further detailed metallurgical testing of leached material in vats, on heaps and the in-ground ore plus pit and plant design to enable an accurate evaluation of the additional capital requirements.

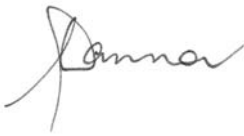
Metallurgical testing has commenced on both the partially leached material in vats and heaps and on the *in situ* mineralisation. The initial testing indicates that 90% to 98% of the gold could be recoverable when the material is milled to 150 microns [80% passing] and cyanide leached in agitated tanks. Comprehensive metallurgical testing with development of a flow sheet will be completed during second quarter of 2011.

The metallurgical program will also investigate the viability of extracting tellurium from previously processed material as well as *in situ* mineralisation. Preliminary testing has indicated tellurium contents in existing vats average between 200 to 300 ppm. NGG is engaged in discussions with a group with expertise in tellurium processing and marketing. Tellurium metal is a rare metal used in semiconductors and electronics, most notably in modern cadmium telluride solar panels, zinc telluride solid state x-ray detectors and other telluride alloys in thermoelectric and infrared technology. It currently sells for about \$US 100/lb and could be a viable by-product at Sinivit.

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 (“NI”) 43-101. Mr. McNeil has read and approves the information contained herein.

For further information on NGG projects, contact Forbes West toll free at (888)6555532, email forbes@sherbournegroup.ca, info@newguineagold.ca, or access our website – www.newguineagold.ca.

ON BEHALF OF THE BOARD



Maurice Gannon
President / Acting Chief Executive Officer

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