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PRESS RELEASE

Gold Production Continues to Increase in First Quarter 2011

Vancouver, BC – April 7th, 2011 - New Guinea Gold Corporation (“NGG” or the “Company”) reports that gold production for first quarter of 2011 was 1,971ozs, up from 1,891ozs in the December quarter 2010. Revenue was also slightly up in Kina to K6,877,487, but due to currency exchange rate fluctuation, was slightly down in Canadian dollars at CAD\$2,597,854 (in December quarter CAD\$2,634,825). Currency conversion is made as at the end of each quarter and may differ slightly from final audited figures.

Gold production at Sinivit declined from second quarter 2009 to a low at the end of 2009, and gradually increased throughout 2010, and through first quarter 2011.

The decline in gold production in the second half of 2009 and first half of 2010 was due to the following:

- excessive rainfall;
- the contractor dispute in mid 2009 which resulted in the Company continuing operations with minimal mobile equipment until early 2010;
- reduced suitable sites for vat construction; and
- increase in copper content of the mineralisation with depth which impacts on the gold recovery circuit.

The above concerns have now largely been remedied, and although gold production should increase in the second quarter of 2011 it is not expected to exceed 2,500ozs/per quarter on average in the near future unless the processing method (i.e. moving from vats/heaps to CIP/CIL or variant thereof) is changed. This is under consideration by the Board.

Revenue and net revenue increased in 2010 and the first quarter 2011 due to the increase in the price of gold and a substantial reduction in operating costs. The main contributing factor to a reduction in operation costs was the move from vats to heaps. Heaps are now being built on top of older vats thus eliminating the cost of building new vats.

A comparison of the quarterly gold production, revenue and quarterly cash mine operating costs for 2010 and first quarter 2011 are given in the table below.

	Gold Sold (ounces)	Gold Purity in Dore	Revenue		Average Quarterly Cash Mine Operating Costs	
			CAD\$ ⁴	PNG KINA	CAD\$ ⁴	PNG KINA
Mar 31, 2010	1,423 ²	-	1,449,078	4,153,333	1,790,850	5,116,716 ¹
Jun 30, 2010	1,078	5% to 16%	1,562,149	3,478,994	2,251,366	5,116,716 ¹
Sept 30, 2010	1,503	9.5% to 14%	1,998,495	4,889,265	2,336,193	5,698,035
Dec 31, 2010	1,891	24.8% to 36.2%	2,634,825	6,532,133	1,499,277	3,748,188
TOTAL			\$7,608,547	K19,053,725	\$7,877,686	K19,679,655
Mar 31, 2011	1,971	22.2% to 63%	2,597,854	6,877,487	1,412,000	3,750,000 ³

¹ Based upon the six month period ending June 2010.

² Approximately 300ozs in the March quarter were actually produced in December 2009, but were not sold and noted in the accounts until January 2010.

³ Preliminary and unaudited figure to end of March 2011 – partly estimated and extrapolated from fourth quarter 2010 as accounts not yet complete to end of March.

⁴ Based on conversion at end of each quarter.

A comparison of tonnes mined, crushed, placed in vats/heaps in respect to gold produced is given below:

	Tonnes Mined	Tonnes Crushed	Tonnes Placed on vats/heaps	Gold Produced (ozs)
Quarter 1	27,368	29,965	24,150	1,423
Quarter 2	43,248	42,850	16,762	1,078
Quarter 3	47,858	48,187	46,124	1,502
Quarter 4	21,549	25,470	9,727	1,890
TOTAL	140,023	143,472	96,763	5,893
Quarter 1	24,072	34,497	30,435	1,971

Gold production increased in first quarter 2011 although tonnes on heaps for last quarter 2010 were only 7,727 tonnes and ore crushed was lower at 25,470 tonnes. These lower figures were due to extensive crusher breakdowns in November/December, now remedied. Gold production was maintained by production from vats/heaps built in the third quarter 2010. The increase in tonnes placed on heaps in the first quarter 2011 should result in increased gold production in the second quarter of 2011.

Bob McNeil, Acting CEO, commented: *“As noted above we can expect a further increase in gold production and net revenue in the second quarter of 2011, although it will probably be accompanied by a rise in operating costs due to several major purchases. The review of the Sinivit Project, which covers both production and exploration, by consultants, Mining Associates, is now expected to be completed and available to the NGG Board in the near future. Some discussions have been held with Mining Associates in respect to the draft report and their conclusions and recommendations are expected to be very positive.*

In respect to the Imwauna Project, NMC Mining Corp. has commenced drilling at this time with two drill rigs, and a more comprehensive release on their plans and program should also be available in the near future”.

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 Sinivit are described in an Independent National Instrument 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 info@newguineagold.ca, or access our website – www.newguineagold.ca

ON BEHALF OF THE BOARD

R.D. McNeil
ACTING CEO

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