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PRESS RELEASE

NEW GUINEA GOLD ANNOUNCES THAT PRODUCTION and GOLD PURITY in DORE CONTINUES to IMPROVE at SINIVIT MINE, PAPUA NEW GUINEA

Vancouver, January 4, 2011. New Guinea Gold Corporation (NGG or the Company) announces that gold production for the quarter ended December 31, 2010 was 1,891ozs, an increase of 26% from the third quarter. Gold purity in gold dore was 24.8% in October, 34.2% in November and 36.2% in December. Silver production for the quarter was 365ozs.

Maurice Gannon, President, commented: *“Sinivit production continues to improve both in ounces of gold and the quality of gold in dore. Gold production in Q4 increased 26% over Q3 and 75% over Q2. The production of 683ozs in December represents gold production for only two thirds of the month of December. Gold for the remainder of December will be retained on carbon at site and will be added to the January 2011 production.*

We are also making substantial progress in cost reduction. The monthly cash mine operating costs have been reduced by approximately 26% for the three months ended December 31, 2010 compared to the January to June monthly average.

Drilling and trenching has continued at Kavursuki with results expected to be released in January 2011. Sampling and metallurgical testing of vat material continues and will increase in January with the objective of determining if the process operation should be converted to CIP/CIL or some modification thereof. Please refer to the Press Release dated December 7, 2010 for a more comprehensive review of the changes expected to be implemented at Sinivit in 2011.”

Comparisons to previous quarters are as follows:

	Gold Sold (ounces)	Gold Purity in Dore	Revenue CAD\$	Average Monthly Cash Mine Operating Costs CAD\$
Quarter ending June 30, 2010	1,078	5% to 16%	1,337,431	682,229 ¹
Quarter ending September 30, 2010	1,503	9.5% to 14%	1,877,427	759,738
Quarter ending December 31, 2010 ²	1,891	24.8% to 36.2%	2,511,035	499,759 ³

Currency conversions are based upon the PNG Kina to CAD\$ exchange rates as at 4 January 2011.

¹ Based upon the six month period ending June 2010.

² Two thirds of December monthly production only is included.

³ December quarter figures are unaudited and, pending completion of accounts, partially estimated. Some smoothing between September and December quarters is warranted (eg; some inventory stocking-up occurred during the September quarter).

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.

A press release dated 7 December 2010 regarding Sinivit production contained incorrect figures with respect to the value of gold production. The correct numbers appear in the MD&A for the quarter ended September 30, 2010 available on SEDAR and on the Company’s website.

For further information on this release or on other 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

M. Gannon
PRESIDENT / ACTING CEO

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Forward Looking Statements - Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of NGG, including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of resource and reserve estimates, currency fluctuations, dependence upon regulatory approvals, the availability of future financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.