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PRESS RELEASE

Mt Sinivit Mine – Interruption to Mining and Processing

Vancouver, BC – December 28th, 2011 – New Guinea Gold Corporation (“NGG” or the “Company”) announces that mining and processing at its Mt Sinivit operation has temporarily been halted. Representatives of the Wild Dog Mining Area Landowner Association (WDMALA) and Lulai Nakama Association (the “Landowners”) have occupied the mine-site and thus forced its temporary closure. All staff have been stood down safely and police presence is being maintained on site.

On 12 December 2011, NGG received a letter from the Landowners lawyers demanding that outstanding royalties be paid to the Mineral Resources Authority (MRA) within 48 hours, failing which the Landowners would shut down NGG’s mining operations. NGG has been waiting on a Court settlement between the Landowning Clans since early 2010 following instructions from the MRA to pay the royalties to the WDMALA who are not recognised as the Landowners representative in the Memorandum of Agreement between stakeholders. Despite assurances and undertakings from NGG that their demand would be met and the funds would be paid to the MRA, the Landowners, following a meeting with the Mine Management on 21st December 2011, occupied the mine site on 22 December 2011. NGG ensured the safe closure of mining and processing operations and removed all staff from site. The royalties were released to the MRA the same day, but the Landowners remain in occupation of the site.

NGG has also received a second demand for the payment of compensation for alleged environmental damage. The mine has always operated within the conditions of the Mining Lease including its environmental obligations and it has been and is operated under a zero discharge regime. The current estimate for the complete rehabilitation of the mine site is less than 1% of the sum demanded and this is fully provided for in NGG’s accounts.

The Company is currently seeking Court Orders for the removal of those persons occupying the mine site illegally before pursuing a negotiated settlement of Landowner grievances.

Acting CEO Greg Heaney commented *“This is a very disappointing situation and the Company was left with little choice but to ensure the safety of its staff and to cease operations until such times as those illegally occupying its mine and associated premises are removed by the lawful*

authorities. We are progressing matters on all fronts seeking an expeditious conclusion to this matter”.

For further information on this release or on other NGG projects such as the Sinivit Gold Mine, please contact info@newguineagold.ca, or access our website – www.newguineagold.ca

ON BEHALF OF THE BOARD

Greg Heaney
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.

A copy of the 43-101 compliant Technical Report by Mining Associates Pty Limited (“MA”) was filed on SEDAR today. MA is an Australian based Mineral Resources Consultancy which is independent of New Guinea Gold as defined in National Instrument 43-101. Ian Taylor BSc (Hons), MAIG, MAusIMM(CP), who has over 17 years experience in the minerals industry served as the Independent Qualified Person responsible for the preparation of the independent report in accordance with NI 43-101.