



20 January 2011

Kentor Gold Limited (ASX: KGL) is an Australian-based company formed in 1998 as a specialist gold explorer. The Company was listed on the Australian Securities Exchange in 2005 and has diversified into exploration and development of gold, geothermal energy and base metals in Central Asia where it has highly regarded, established local management. Kentor Gold owns 80% of the Andash Gold-Copper Project which is under development in the Kyrgyz Republic and is targeted to produce annually 70,000 oz gold and 7,400 tonnes copper in concentrate.

Update on minority interest in Andash

In the Kryrgyz Republic on 19 January 2010, the Talas Oblast Court rejected Invest-center Talas LLC's (ICT) appeal and left the decision of the lower court (Talas Interdistrict Court) without change. In October 2010, the Talas Interdistrict Court had found that Aurum Mining plc (Aurum) and ICT's ownership in Andash Mining Company LLC (AMC) were invalid. ICT had appealed this decision.

Transfers of equity in AMC between the Aurum group of companies and ICT in late 2009 and early 2010 were declared invalid as the court had concluded that the Kyrgyz law on Strategic Objects was not complied with at the time of the transfers. The court has therefore ordered that the 20% interest in AMC not held by Kentor Gold Limited (Kentor or the Company) be offered to the Kyrgyz Government on the same terms as the original transaction as per the Strategic Objects legislation.

Kentor owns 80% of AMC and this holding is not affected by the declaration of invalidity of the transfers of interests amongst AMC's minority shareholders. Prior to acquiring its 80% interest in the Andash project, Kentor complied with the requirements of the Strategic Objects legislation.

A date has not yet been set for the hearing of the separate case brought against Kentor by ICT alleging that Kentor was somehow responsible for the loss of its holding in AMC. However, the Company is confident that the case has no merit following yesterday's confirmation by the Talas Oblast Court that the cause of the declaration of invalidity in respect of ICT's interest was due to ICT's failure to comply with the law on Strategic Objects.

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