

ASX ANNOUNCEMENT 17 SEPTEMBER 2010

SIHAYO PUNGKUT PROJECT PROSPECT LOCATIONS AND TENURE

Sihayo Gold Limited (ASX: SIH) is pleased to provide an update on regional exploration activities across the Sihayo Pungkut Contract of Work Area ("COW").

"Our regional exploration team have planned an extensive work program covering **numerous high impact gold and copper / gold prospects** across the COW. The regional work is in addition to ongoing resource extension and exploration drilling at our flagship Sihayo Pungkut gold project, containing **10.7 Mt @ 2.9 g/t Au for 1.01 Million ounces**," said Paul Willis, Chief Executive Officer, Sihayo Gold Limited.

Highlights

- Detailed mapping and sampling of the Tambang Tinggi prospect (Au) confirms that gold mineralisation identified in previous scout drilling (**112.6 m @ 1.52 g/t Au from surface including 25m @ 4.58 g/t Au from 31m - TTDD002**) is part of a **large mineralised system**.
- Multiple Induced Polarisation (IP) surveys will commence next month and focus on the Tambang Tinggi, Hutabargot Julu and Tarutung gold prospects and the Sihayo Pungkut extensions.
- An airborne magnetic survey of the entire COW is planned for late 2010 with an emphasis on identified **porphyry copper gold** prospects, including; Singalancar, Rura Balancing, Namilas and Mandagang.

TAMBANG TINGGI PROSPECT

The Tambang Tinggi prospect is located in the southern portion of the COW area (Figure 3).

The prospect covers an area of approximately **2.8km east to west** and **1.6km north to south**. Within this area are extremely encouraging gold and copper results in drilling, rocks and soil samples. Gridding is in progress for an IP survey designed to assist in targeting diamond drilling to test known surface mineralisation and to potentially identify new mineralised systems.

During 2005, scout drilling (5 diamond drill holes for 634m) yielded a best intercept of **112.6 m @ 1.52 g/t Au from surface, including 25m @ 4.58 g/t Au from 31m**. Mineralisation is open along strike and at depth.

Exploration work to date over the Tambang Tinggi prospect is summarised in Figures 1 and 2. The current phase of work includes;

- Geological mapping,
- Rock chip sampling from historic adits, outcrop and float,
- Infill soil sampling, and
- Grid re-establishment for the IP survey.

The Tambang Tinggi area is underlain by intercalated andesitic volcanics and limestones. Younger dacitic volcanics and sandy conglomerates overlie the andesite / limestone sequence. A hornblende diorite, weakly to moderately magnetic, has intruded the andesite / limestone sequence. Areas of high magnetic response (Figure 2) appear to be later intrusives within the hornblende diorite.

Tambang Tinggi mineralisation is intrusive related with styles observed to date, including;

- Silica-sericite-pyrite-bornite-chalcopyrite-pyrite-tourmaline alteration with limonite veins / fractures hosting gold;
- Multi phase quartz veins that host chalcopyrite, bornite, tetrahedrite, arsenopyrite and yield up to **31 g/t Au and 0.9% Cu** in rock chips;
- Intermittent quartz veins in andesitic volcanics that contain **up to 20.1 g/t Au**; and
- Copper skarn mineralisation with **up to 4.7% copper and anomalous gold** in rock and float samples.

Drilling is planned to commence in late 2010.

ADDITIONAL EXPLORATION ACTIVITIES

Below is a summary of prospects, in addition to Tambang Tinggi, that are currently being prepared for exploration or exploration has commenced:

Sihayo Pungkut extensions

Grid establishment is underway for an IP survey to aid in drill targeting along strike and at depth from the current Sihayo and Sambung Resources;

Huatabargot Julu

The Hutabargot Julu prospect is an epithermal gold style prospect with multiple sub-parallel veins that have yielded historic drill intercept of **5m @ 37.7 g/t from 47m**. The prospect is located approximately 7km southeast of the main Sihayo resource and exploration will commence in October 2010. This initial work program will consist of grid re-establishment for soil / IP surveys and geological mapping to aid in drill target definition;

Tarutung

The Tarutung prospect is characterised by classic banded epithermal quartz vein float and outcrop that has assayed up to **167 g/t Au and 384 g/t Ag**, within a **350m long section** of a 1.2km long, NNW trending clay-pyrite alteration zone. Historic trenching contained an intersection of **5m @ 57.7 g/t Au and 312 g/t Ag**.

Land owner socialisation is in progress to gain access for grid re-establishment and an IP survey as a lead up to drilling.

AIRBORNE MAGNETIC AND RADIOMETRIC SURVEY

Elliot Geophysics International has been contracted to undertake an airborne magnetic and radiometric survey over the entire COW. The airborne survey will have a particular emphasis on **known porphyry copper gold style targets** such as; **Singalancar, Rura Balancing, Namilas, Siandon and Mandagang**. The survey is planned for late 2010.

Yours faithfully,
SIHAYO GOLD LIMITED



Paul Willis
Chief Executive Officer
17th September 2010

Competent Persons Statements

Sihayo Gold Limited: The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Graham Petersen (BSc.Geol) who is a full time employee of PT Sorikmas Mining, and is a Member of the AusIMM. Mr Petersen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Petersen consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Runge Limited: The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Robert Williams BSc, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Modelling: The Sihayo deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade for the lower grade upper weathered zone, and 1.0g/t Au in the deeper higher grade zones. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the model were 25m EW by 10m NS by 5m vertical with sub-cells of 6.25m by 2.5m by 1.25m. Statistical analysis of the deposit determined that no high grade cuts were required in the estimate. Grades were estimated using Ordinary Kriging. Bulk density was assigned in the model based upon the results of 853 bulk density determinations.

Note

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.

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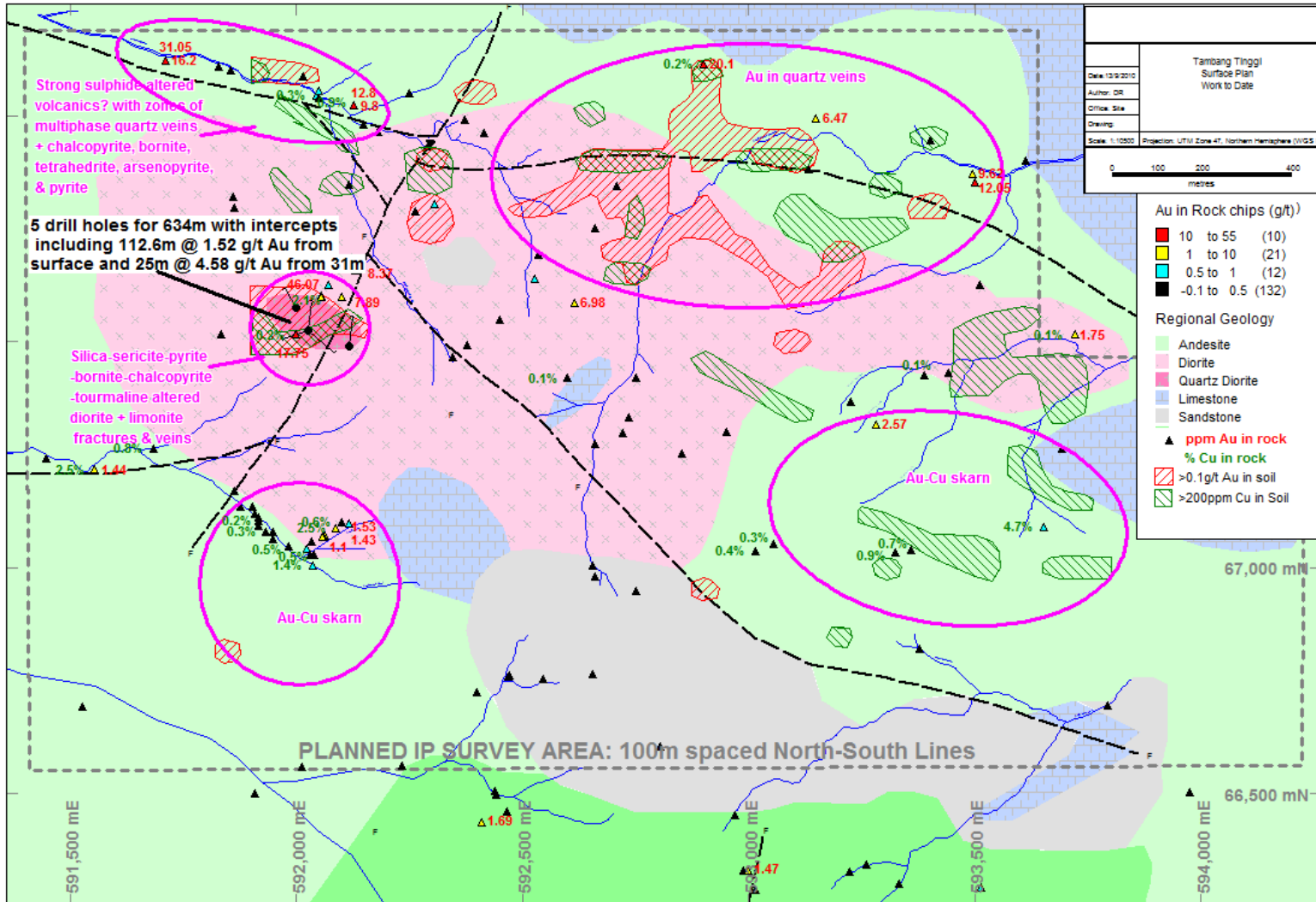


Figure 1: Tambang Tinggi surface plan outlining prospects and work to date

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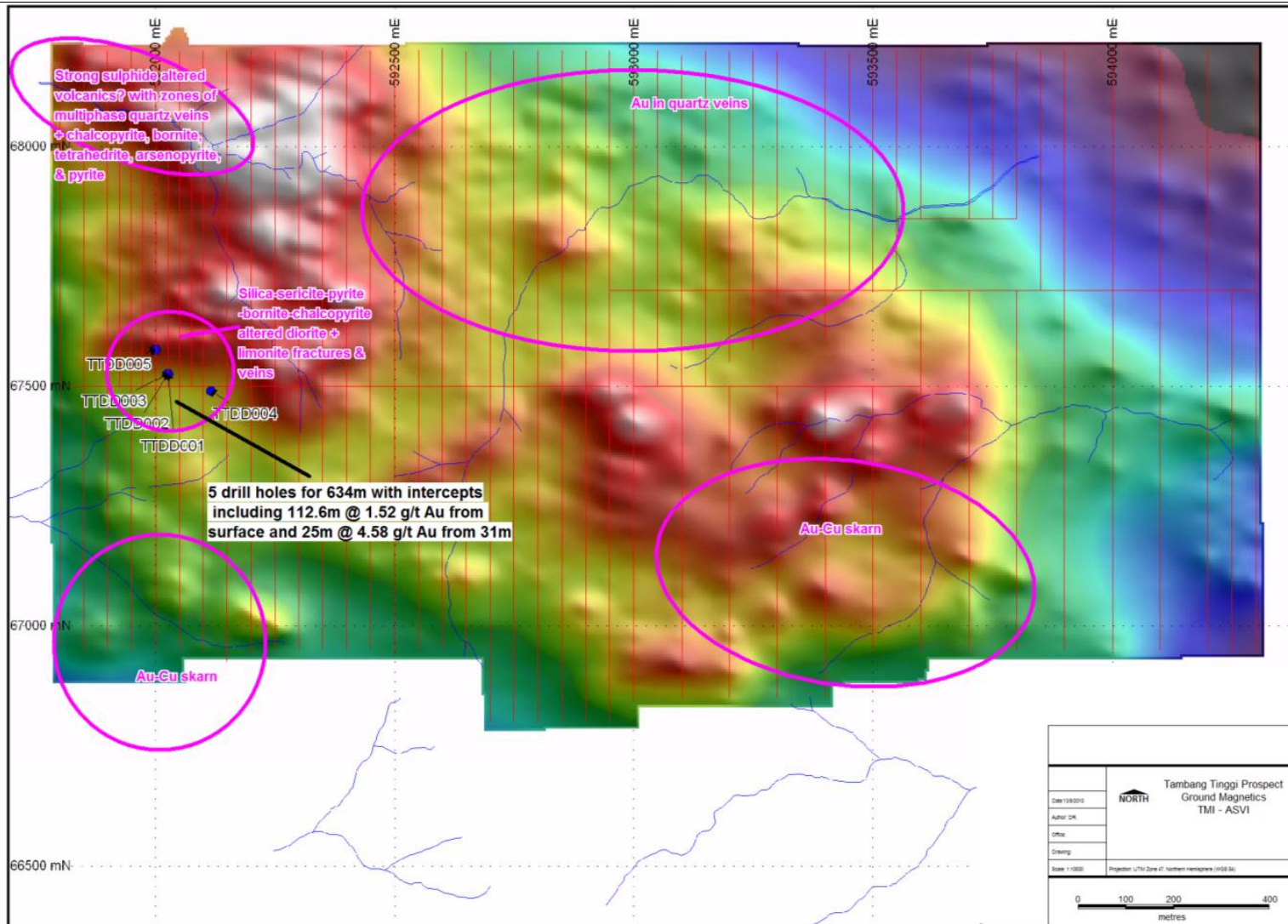


Figure 2: Tambang Tinggi Prospect TMI with prospect locations

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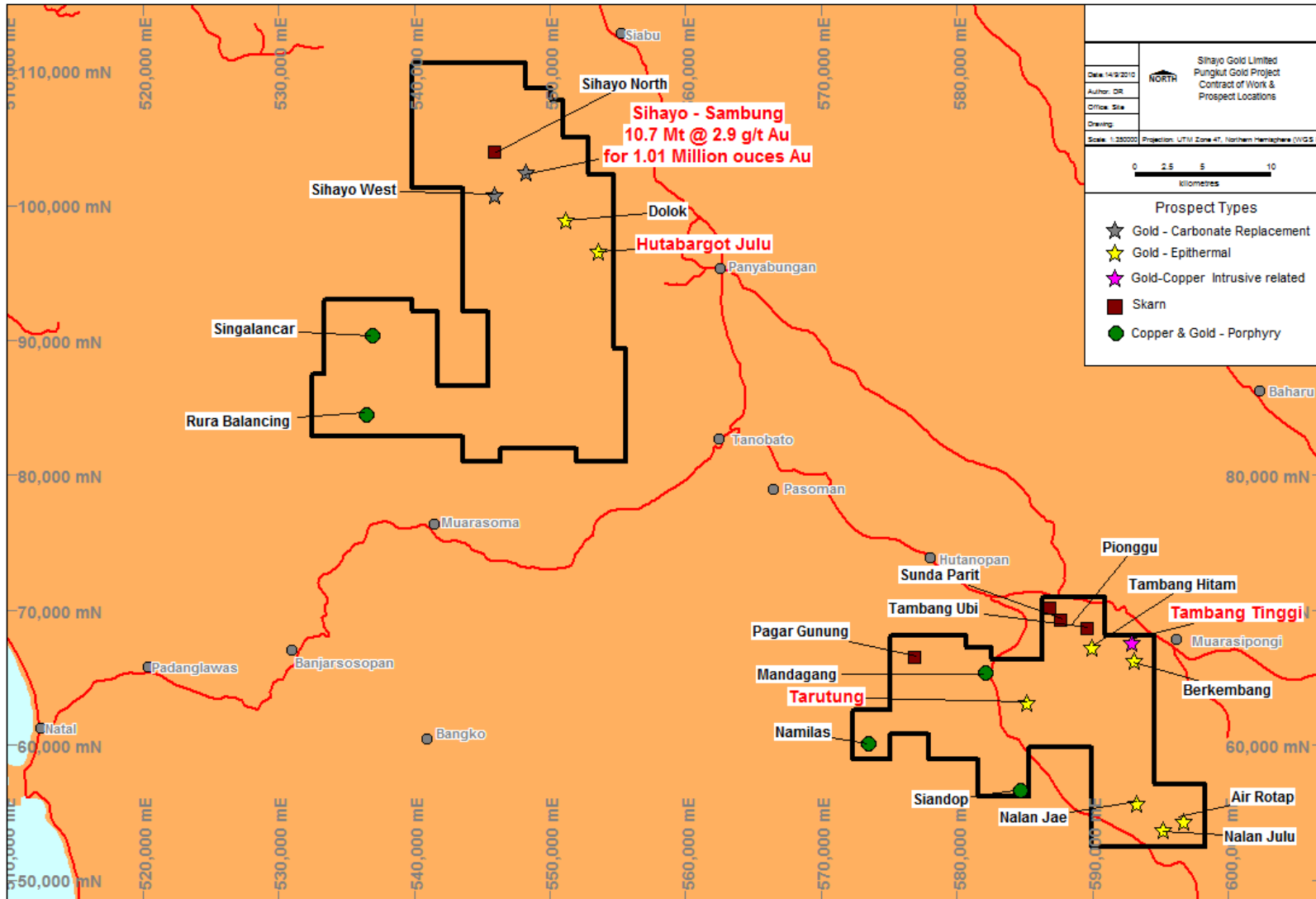


Figure 3: Pungkut Project prospect locations and tenure (Prospects with red writing are current focus)

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