



ASX ANNOUNCEMENT 27 JANUARY 2011

SIGNIFICANT GOLD IN DRILL INTERSECTIONS ADJACENT TO SIHAYO GOLD RESOURCE

HIGHLIGHTS

The Board of **Sihayo Gold Limited (ASX: SIH)** is pleased to announce that ongoing drilling at the Sihayo Pungkut gold project has **intersected further significant gold mineralisation, including 16m @ 7.33 g/t Au from 149 meters**, adjacent to the JORC compliant Sihayo-Sambung gold resource (10.7 Mt @ 2.9 g/t Au for 1.01 million oz).

“Significant gold in drilling results will likely have a positive impact on our next resource update and provides further encouragement to aggressively explore along the greater Sihayo gold mineralisation trend. Two lodes are currently being defined by drilling adjacent to the south east boundary of the main Sihayo resource. In addition, further potential mineralisation exists to the north of the main Sihayo deposit and we have a program of holes planned for this area over the next 3 months. It is an exciting time as we seek to grow the overall resource at Sihayo-Sambung beyond the current JORC compliant **10.7 Mt @ 2.9 g/t Au for 1.01 million oz**”, said Paul Willis, Chief Executive Officer.

Significant intercepts adjacent to the main Sihayo gold resource included:

SHDD413	29m @ 1.85 g/t Au from 90m and 9m @ 4.14 g/t Au from 126m
SHDD416	4m @ 4.89 g/t Au from 34m
SHDD417	5m @ 5.06 g/t Au from 36m
SHDD426	16m @ 7.33 g/t Au from 149m
SHDD430	5m @ 6.15 g/t Au from 10m and 13m @ 1.31 g/t Au from 139m
SHDD431	8m @ 3.46 g/t Au from 72m
SHDD435	6m @ 1.96 g/t Au from 84m
SHDD437	12m @ 1.56 g/t Au from 54m
SHDD448	12m @ 3.47 g/t Au from 79m
SHDD354 Re-entry	19m @ 1.96 g/t Au from 93m
SHDD358 Re-entry	6m @ 1.74 g/t Au from 131m

JORC COMPLIANT RESOURCE CALCULATION UPDATE

Runge Limited is currently processing data for the next JORC compliant resource update, which is due for release in March 2011.

For personal use only

EXPLORATION ALONG THE SIHAYO GOLD TREND

Exploration drilling, with five diamond drill rigs, along strike and adjacent to the current JORC compliant Sihayo gold resource is delineating further mineralisation in the jasper lodes. Significant intercepts for drill holes SHDD413 to SHDD457 are shown in Table 1 and Figure 1. Drill holes with pending assays, current drill rig locations and the short term ongoing drill program are all shown in Figure 1.

Over the next 6 – 9 months, exploration drilling will test the entire 4.5km long Sihayo gold mineralisation trend for further carbonate hosted economic gold in jasper lodes.

Yours faithfully,
SIHAYO GOLD LIMITED



Paul Willis
 Chief Executive Officer
 27th January 2011

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 Darin Rowley (BSc.Geol Hons 1st class) who is a full time employee of PT Sorikmas Mining (the 75% owned subsidiary of Sihayo Gold), and is a Member of the AusIMM. Mr Rowley 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 Rowley 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.

For personal use only

HOLE ID	EAST UTM	NORTH UTM	RL (mASL)	AZI	DIP	FROM	TO	INTERCEPT (M)	Au g/t	INSIDE OR OUTSIDE CURRENT RESOURCE
SHDD413	548032	102986	1082	0	-90	90	119	29	1.85	Outside
						126	135	9	4.14	Outside
SHDD416	548052	102934	1089	0	-90	34	38	4	4.89	Outside
SHDD417	548023	102892	1105	0	-90	36	41	5	5.06	Outside
SHDD419	548762	102133	1173	0	-90	169	170	1	4.16	Outside
						184	186	2	6.84	Outside
SHDD421	547977	102762	1144	0	-90	96	97	1	1.54	Outside
SHDD424	547847	103174	1049	0	-90	3	5	2	1.92	Outside
SHDD425	548011	102717	1160	0	-90	75	75.7	0.7	1.53	Outside
						77.8	79	1.2	3.30	Outside
SHDD426	548534	102451	1180	0	-90	149	165	16	7.33	Outside
SHDD428	547784	103162	1067	0	-90	14	19	5	1.76	Outside
SHDD429	547994	102699	1158	0	-90	90	92	2	1.25	Outside
						98	100	2	2.61	Outside
						109.3	111	1.7	1.66	Outside
SHDD430	547808	103198	1055	0	-90	6	7	1	4.09	Inside
						10	15	5	6.15	Outside
						139	152	13	1.31	Outside
SHDD431	548081	102722	1167	0	-90	65	69	4	1.69	Inside
						72	80	8	3.46	Outside
SHDD432	547751	102961	1117	0	-90	23	25	2	1.22	Outside
SHDD433	548460	102364	1194	0	-90	202	205	3	1.83	Outside
SHDD434	548140	102088	1143	0	-90	150	151	1	2.20	Outside
SHDD435	547755	103127	1081	0	-90	6	18	12	1.59	Inside
						84	90	6	1.96	Outside
SHDD437	548112	102761	1151	0	-90	54	66	12	1.56	Outside
SHDD439	548073	102792	1139	0	-90	48	49	1	1.08	Outside
SHDD440	548365	102040	1215			208	210	2	1.07	Outside
						211	212	1	1.06	Outside
SHDD441	548102	102123	1161	0	-90	201	202	1	1.07	Outside
SHDD443	548091	102815	1128	0	-90	33.6	37	3.4	2.72	Outside
						62	66	4	2.69	Outside
SHDD444	548566	102127	1175	0	-90	229	232	3	2.73	Outside
						235	237	2	2.48	Outside
SHDD445	547796	103184	1060	220	-60	5	11	6	1.32	Inside
						18.3	19.3	1	1.01	Outside
SHDD447	547754	102887	1148	0	-90	54	56	2	1.83	Outside
SHDD448	548110	102849	1137	0	-90	79	91	12	3.47	Outside
SHDD451	547713	103087	1090	0	-90	3	6	3	1.18	Outside
						21	26	5	1.49	Inside
						65	66	1	1.29	Outside
SHDD452	547750	103189	1079	220	-60	11	26.1	15.1	3.07	Inside
SHDD454	547772	103238	1075	220	-60	3	4	1	1.50	Inside

For personal use only

HOLE ID	EAST UTM	NORTH UTM	RL (mASL)	AZI	DIP	FROM	TO	INTERCEPT (M)	Au g/t	INSIDE OR OUTSIDE CURRENT RESOURCE
						121	123	2	1.08	Outside
SHDD455	548394	101918	1170	0	-90	191	193	2	11.8	Outside
SHDD457	548818	101788	1222	0	-90	272	274	2	1.82	Outside
SHDD354 Re-entry	547823	103135	1057	0	-90	93	112	19	1.96	Outside
						115	116	1	1.06	Outside
SHDD358 Re-entry	547797	103180	1060	0	-90	131	137	6	1.74	Outside

Table 1: Significant drill intercepts > 1 g/t Au for diamond drill Holes SHDD413 to SHDD457

Notes

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as downhole lengths
6. Sampling regime as quarter core for PQ and half core for NQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC): Standard or duplicate or blank inserted every 10 samples.
8. Coordinates in UTM grid system (WGS84 z47N)

For personal use only

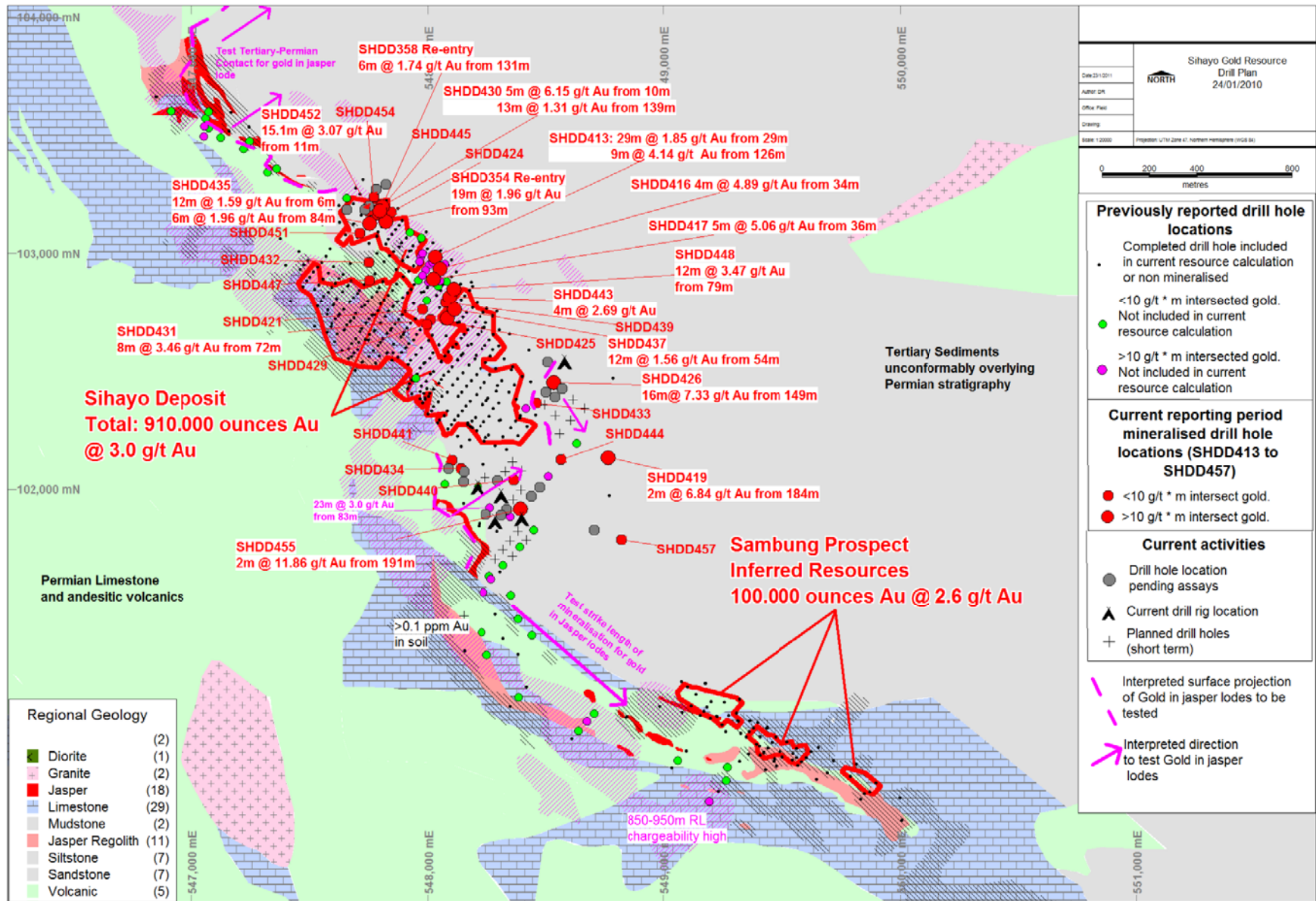


Figure 1: Sihayo-Sambung Gold Resource Drill Plan 27/01/2011