

ASX ANNOUNCEMENT
30 MAY 2011

**UPDATE ON TEMPORARY DEMONSTRATIONS AT SIHAYO'S OPERATIONS
IN INDONESIA**

The Board of **Sihayo Gold Limited (ASX: SIH)** is providing an update on recent events at its 75% owned Sihayo Pungkut Gold Project in North Sumatra, Indonesia.

On Sunday 29th May, a group of local demonstrators, believed to be supported by the representatives of illegal artisanal miners from the region, arrived and disrupted Sihayo's exploration camp.

Company personnel have all been accounted for, and are safe and uninjured. Despite local police presence the demonstrators have caused significant damage to the Company's exploration camp.

Currently, local police personnel are moving to secure the exploration camp.

Company officials are meeting with the North Sumatra police and have scheduled a meeting with all stakeholders including representatives of Government Departments and all relevant village heads. The meeting will be focused on safety, security and the illegal mining activities that local villages are conducting within the Company's Contract of Work area ("COW").

The Company believes that these actions were provoked by a minority group of individuals who are participating in illegal mining activities within the Company's COW. The most significant illegal mining is occurring some 7km southeast of the main Sihayo resource. The Company is working closely with local authorities to bring those responsible for these acts to justice.

The Company is also working to assess the damage and to ensure that the disruption to our operations is minimised. Whilst these actions are deplorable, we will seek support within the local community for companies like Sihayo Gold who conduct sanctioned mining activities, which create sustainable economic opportunities for all our stakeholders, including those within the local community.

During this period of disruption at the Sihayo Pungkut Gold Project, regional exploration across the COW continues with the primary focus being the ongoing drilling program at the Tambang Tinggi porphyry copper / gold prospect and the pre-drilling exploration work at the Hutabargot Julu epithermal gold prospect.

Yours faithfully,
SIHAYO GOLD LIMITED



Paul Willis
Chief Executive Officer
30th May 2011