

Central Asia Gold

Publication of Prospectus from Central Asia Gold

PRESSRELEASE DATED 2008-05-29

(NGM: CAG)

On May 21, 2008, an Extraordinary General Meeting in Central Asia Gold AB (publ) decided to increase the company's share capital through a rights issue. The prospectus describing the terms in the rights issue is available for shareholders and the public from today. The prospectus will be distributed to the company's shareholders starting June 5th, 2008. It will also be available on the company's website www.centralasiagold.se, and can be ordered from the company by phone +46 8 624 26 80. The prospectus is also kept available at the company's head office, with address Brovägen 9, SE-182 76 STOCKSUND, Sweden.

The rights issue is carried out according to the following terms:

- Shareholders are entitled to receive one (1) unit right per held share. Seven (7) unit rights entitles to subscription of one (1) Unit
 - One (1) Unit consists of one (1) new share and one (1) share warrant. The share warrant entitles to the subscription of one (1) new share à 0,55 SEK per share during fall, 2008
 - Subscription can only be made in Units and thus can subscription not be made in shares and Share warrants separately. Allotment can only be made in Units. After subscription and registration shares and share warrants will be separated and trading will commence in shares and share warrants respectively and not in Units on NGM Equity
- The subscription price per Unit is 1,10 SEK. Subscription price per share is 0,55 SEK and thus are share warrants issued free of charge
- Subscription of shares through use of share warrants can take place from the time when the issuance of the share warrants is registered at the Swedish Companies Registration Office

until the 5th of December 2008. The subscription price per share is SEK 0.55. The share warrants will be listed on NGM Equity

- The offering is fully guaranteed by commitments to subscribe from board members, management of the company, major shareholders and by Glitnir AB
- Central Asia Gold will be provided with 64.8 MSEK, without regard to costs in relation to the transaction, through the offering and another 32.4 MSEK given full utilization of all share warrants
- Subscription period: June 9th until June 23rd, 2008
- Trading with unit rights will take place between the 9th of June 2008 until the 17th of June 2008
- Trading in Unit rights will commence on the 9th of June 2008, and last until the issue is registered at the Swedish Companies Registration Office

Glitnir Corporate Finance AB is financial advisor to Central Asia Gold in connection with the offering.

For more information, please contact:

MD Torbjorn Ranta, tel: +46 (0)8 624 26 80, fax: +46 (0)8 624 37 20, mobile phone: +46 (0)70 8 85 55 04, e-mail: torbjorn.ranta@centralasiagold.se, Website: www.centralasiagold.se, Post- and visiting address: Brovägen 9, SE-182 76 Stocksund.

Central Asia Gold AB is a Swedish mining company focused on gold production and exploration in Russia and Mongolia in the central parts of Asia. The gold production was initiated in late January 2005 and the assets today encompass some 645,000 troy ounces (1 troy ounce = 31.1 g) of C1/ C2 Russian gold reserves.

Cautionary Statement: Statements and assumptions made in this report with respect to Central Asia Gold AB's ("CAG") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of CAG. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where CAG operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) CAG's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual

results could differ materially from those presented and forecast in this report. CAG assumes no unconditional obligation to immediately update any such statements and/or forecasts.