

PRESS RELEASE 2010-07-28

Central Asia Gold AB (publ)

Central Asia Gold AB (publ) publishes updated production forecasts

Central Asia Gold AB's (publ) ("CAG" or "the Company") gold production during the current fiscal year is progressing according to plan and the objective of increasing the production by 50 percent to approximately 1 000 kg remains. Today, The Board makes the assessment that the Company may produce 2 000 kg in 2011, based on further production increases secured by the forthcoming rights issue.

The gold production from CAG's existing deposits is progressing according to plan. To date, CAG has produced approximately 200 kg of gold and the Company's previously announced production forecast of 1 000 kg of gold for the full year remains. Based on the results thus far, the Board makes the assessment that the Company will reach a positive operating cash flow during the fiscal year 2010.

Furthermore, the Company has been able to secure funding from several Russian banks which has enabled CAG to start construction and updates of the heap leaching plants in Tardan and Solcocon earlier than planned. Altogether, the Board estimates that the CAG, based on the above mentioned reasons and the 100 percent guaranteed rights issue, has the potential to increase the current year's forecasted production of 1 000 kg to 2 000 kg in 2011.

Comments from the main shareholder and CEO of CAG Preston Haskell:

"It is extremely gratifying that our hard work has started to pay off and that the everything now is starting to fall into place. With the 100 percent guaranteed rights issue and based on the good results we have seen so far, I am convinced that we are heading towards a very bright future."

Central Asia Gold AB (publ) The Board of Directors

Additional information:

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Central Asia Gold AB is a Swedish mining company focused on gold production and exploration in Russia in the central parts of Asia. The gold production was initiated in late January 2005 and the assets were as at end of 2008 estimated to encompass some 800,000 oz of C1/ C2 Russian gold reserves.

Since July 19, 2010, CAG's shares are traded on First North Premier at the NASDAQ OMX Nordic Exchange under the short name CAG. For more information please visit www.centralasiagold.se. Mangold Fondkommission is Certified Adviser to CAG, for more information please call +46 8 503 015 50 or visit www.mangold.se.

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

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