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AUSTRAL GOLD ACQUIRES NEW TENEMENTS AND EARN-IN

The Board of Austral Gold Limited (ASX: AGD) is pleased to announce that it has recently acquired applications for tenements in the Province of Santa Cruz, Argentina and an Earn In Agreement to jointly explore tenements in the Province of San Juan, Argentina.

The transaction was effected through the acquisition of Guanaco Capital Holding Argentina S.A ("GCHA"), a company duly incorporated under the Argentinean law.

GCHA is the owner of 9 tenement applications totalling almost 85,000 hectares in the Macizo el Deseado area in the Province of Santa Cruz and an Earn In Agreement signed with Argentina Minera S.A. (Aminsa) and its founders to jointly explore tenements covering approximately 227,000 hectares in the Province of San Juan. The property is located within the Porphyry Piuquenes- Los Azules corridor near Xstrata's advanced copper exploration project called El Pachón in Argentina and Los Pelambres owned by Antofagasta Minerals in Chile.

GCHA will earn in up to 50% of Aminsa in 5 years by contributing up to US \$15 million over this period.

Copper and gold exploration will commence in September 2008 mainly in Los Bagres, Rincones de Araya, Rio Salinas and Calderon/Calderoncito in the Province of San Juan. Recently concluded geophysics Induced Polarity (IP) and Advanced Spaceborne Thermal Emission and Reflection Radiometer (ASTER) and geochemical programs have confirmed anomalies within these areas.

The founders of Aminsa, Patricio Jones (CEO and Chairman of Suramina Resources, a company listed in the Toronto Stock Exchange with assets in Chile and Argentina), Ricardo Martinez and Roberto Martinez have vast experience in exploration activities in the region having participated, among others, in the discoveries of two of the largest mines in Argentina; Xstrata's copper Bajo de la Alumbrera and Barrick's gold mine Veladero. Patricio Jones has been involved with the Lundin Group since the 1980's.

Austral Gold has also signed a Funding Agreement with Guanaco Capital Holding Corp. (GCH) upon which GCH has committed to lend Austral Gold up to US \$4 million at 12-month term deposit interest rate published by Westpac.

By Order of the Board

Catherine Lloyd
Company Secretary/Chief Financial Officer