DRILLING UPDATE
26th March 2012

HIGHLIGHTS

SAMBUNG RESOURCE INFILL DRILL PROGRAM SUCCESFULLY COMPLETED

- **Drilling results included:**

SAMDD086	**15m @ 4.26 g/t Au from 57m**
SAMDD094	**6.85m @ 3.35 g/t Au from 83m**
SAMDD102	**3.2m @ 9.18 g/t Au from 6m**
SAMDD111	**6.4m @ 3.6 g/t Au from 11m**
SAMDD119	**9m @ 4.64 g/t Au from 33m**
SAMDD124	**6.55m @ 5.59 g/t Au from 75m**

- **Encouraging zones of silver mineralisation have been delineated, including:**

SAMDD092	**7.85m @ 22.46 g/t Ag from 36m**
SAMDD096	**14.15m @ 48.1 g/t Ag from 75.9m**
SAMDD117	**6.0m @ 20.0 g/t Ag from 71m**

- **Resource Consultants (Runge Limited) are scheduled to release an updated JORC Compliant Resource report for the Sambung Resource in May 2012**
- **Updated JORC Compliant Resource report will be included in Definitive Feasibility Study**
- **Ongoing resource extension drilling provides potential to significantly increase the size of the Sambung Resource**

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Sambung Resource

The current **Sihayo-Sambung JORC Compliant Resource of 16.3Mt at 2.7 g/t Au for 1.425 Moz Gold** lies on about 2.25km of a 5.5km long trend of gold mineralisation that has been defined by surface exploration work. Gold within the Sihayo-Sambung Resource is contained within "Jasper" that has replaced calcareous stratigraphy.

Between October 2011 and March 2012, an infill diamond drilling program comprising 56 holes for 5,455m was completed on the Sambung Resource with the aim of upgrading the JORC Compliant Inferred Resource of **123,200 ounces Gold @ 2.2 g/t Au** to the Indicated Resource status.

Resource consultants, Runge Limited, are currently analysing Sambung data with a view of releasing an updated JORC Compliant Resource report in May 2012.
Figure 1 below shows the area of drilling focus at the Sambung Resource.

Overall, a total of 141 diamond drill holes, including the 56 holes of infill drilling, have been completed at Sambung.
Table 1 below summarises gold intercepts for the first 125 drill holes. Assays for the remaining 16 holes are expected to be received during April. Notably, there are zones of silver mineralisation associated with the gold.
Table 2 below summarises the major silver intercepts. Our geologists are working closely with Runge Limited to determine the potential significance of the silver mineralisation.

Geological modelling based on logging of the 141 diamond drill holes through the Sambung Resource has defined three settings of gold bearing jasper mineralisation: 1) Structurally controlled; 2) Stratigraphy controlled; and 3) Surface regolith.
Figures 2 and 3 below are cross sections demonstrating geology and gold mineralisation at the Sambung Resource. *Figures 4 and 5* are photographs of Sambung gold mineralised core. *Figure 6* is an indicative block model of the Sambung mineralisation.

The major control of the Sambung mineralisation is a series of normal faults within the greater Trans Sumatran Fault Zone. These faults have strike extent and known gold mineralisation outside of currently defined JORC Compliant Resource. Resource extension drilling is planned for the remainder of 2012 to test the **shallow high grade gold** mineralisation extents of this fault system adjacent to the Sambung Resource. **The potential for growing the Sambung Resource to a level two to three times the current size over the remainder of 2012, is considered high.**
Figures 7 and 8 demonstrate the zones of potential extensions of the Sambung Resource.

Yours faithfully,

SIHAYO GOLD LIMITED

Paul Willis
Chief Executive Officer
26th March 2012

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(75% owned subsidiary of Sihayo Gold Limited), 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 and Sambung 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: *Both the Sihayo and Sambung deposits were estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade. In all cases a minimum downhole intercept length of 2m was adopted.*
The block dimensions used in the Sihayo model were 25m EW by 10m NS by 5m vertical with sub-cells of 6.25m by 2.5m by 1.25m, while a block dimension of 20m EW by 20m NS by 5m vertical with sub-cells of 5m by 5m by 1.25m was adopted for the Sambung model. Statistical analysis of the deposit determined that no high grade cuts were required in the Sihayo estimate, although a 25g/t Au has been used in the Sambung estimate. Bulk density was assigned in the model based upon the results of 4,629 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.

Table 1: Summary of gold intercepts of greater than 1 g/t Au for diamond drill holes SAMDD001 to SAMDD125, note that holes SAMDD001 to SAMDD085 were completed prior to the recent infill drilling program

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Length	Au g/t
SAMDD002	549135	101134	1029	220	-56	105.1	21.6	22.75	1.15	9.57
							33.9	37.35	3.45	2.50
							40.8	42	1.2	1.60
SAMDD003	549306	101054	965	233	-55	106.1	18.95	24	5.05	1.28
							31.55	34.4	2.85	1.19
							39.1	40.6	1.5	1.84
SAMDD004	549564	100867	947	217	-60	84.0	0.45	13.8	13.35	2.75
SAMDD005	549895	100761	887	220	-56	88.8	0	3.3	3.3	5.66
SAMDD006	549260	100975	1030	220	-50	100.7	6	8	2	2.53
SAMDD010	548841	101039	1175	40	-50	73.6	11	15	4	1.95
SAMDD011	548839	101037	1175	220	-45	172.6	11	14	4	1.75
							18	21	3	2.75
							40	41	1	1.02
SAMDD012	549176	101178	1043	220	-55	129.2	80.4	84.4	4	1.39
SAMDD014	549102	101163	1060	220	-60	119.0	45	47	2	2.97
							51	52	1	1.06
							70	73	3	1.14
SAMDD015	549076	101187	1083	220	-60	123.0	66.6	67.6	1	1.54
							92	93	1	1.75
							96	98	2	1.35
SAMDD016	549257	101100	988	220	-60	73.0	35	53	18	2.75
SAMDD017	549318	101114	987	220	-60	93.6	65	66	1	2.36
SAMDD018	549314	101020	984	130	-90	50.4	12	13	1	1.66
							26	27	1	1.55
							36	42.4	6.4	2.34
SAMDD019	549222	101042	1017	350	-90	73.6	8	26	18	3.56
							30	32	2	2.99
							49	51	2	1.35
							58	62	4	7.93
SAMDD020	549390	100922	995	350	-90	34.2	4	6	2	3.25
							10	12	2	2.18
SAMDD021	549406	100952	995	0	-90	101.5	10	20	10	2.48
SAMDD022	549491	100892	972	0	-90	36.8	2	21	19	6.70
SAMDD023	549436	100991	975	220	-60	76.1	22	23	1	1.03
							26	27	1	1.22
							35	36	1	2.30
							38	39	1	1.14
SAMDD024	549545	100856	961	0	-90	25.4	0	2	2	4.85
SAMDD027	549435	100991	975	0	-90	72.5	30	33	3	1.52
SAMDD030	549692	100803	912	0	-90	20.1	7	8	1	1.42

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Length	Au g/t
SAMDD033	549603	100867	925	216	-60	70.0	0	8	8	1.83
							12	13	1	1.52
SAMDD034	549623	100891	910	216	-60	77.8	2	3	1	4.46
							9	13	4	1.03
SAMDD035	549522	100932	963	220	-60	100.0	5	8	3	2.60
SAMDD036	549655	100908	886	220	-60	70.7	7	9	2	1.15
SAMDD037	549312	101021	984	220	-60	90.0	6	9	3	5.00
							15	16	1	3.34
							47	48	1	1.33
SAMDD038	549324	100968	1007	320	-90	54.6	4	7	3	2.94
SAMDD039	549362	101022	981	320	-90	60.0	30	34	4	1.90
SAMDD041	549378	100992	988	0	-90	68.9	15	19	4	1.45
							27	29	2	2.30
							32	34	2	1.34
SAMDD042	549170	101061	1034	0	-90	77.2	7	26	19	1.58
							29	34	5	3.96
							39	41	2	1.34
							44	54	10	2.22
							62	63	1	1.21
SAMDD043	549361	100975	995	0	-90	46.5	4	6	2	2.01
							11	15	4	1.47
SAMDD044	549347	100952	1005	0	-90	33.0	12	13	1	2.01
SAMDD045	549183	101080	1013	0	-90	52.0	1	3	2	6.36
							17	19	2	2.29
							25	26	1	1.26
							29	30	1	1.90
							33	34	1	1.11
							37	38	1	1.20
SAMDD046	549420	100889	1004	0	-90	33.0	3	5	2	1.54
							12	14	2	1.24
							18	19	1	1.41
SAMDD047	549438	100907	990	0	-90	60.0	13	15	2	1.36
							19	26	7	3.74
SAMDD048	549227	101040	1018	40	-60	100.0	0	10	10	4.16
							24	34	10	0.94
							42	43	1	1.10
							64	85	21	2.51
SAMDD049	549457	100930	976	0	-90	60.0	1	7	6	7.50
							11	14	3	1.07
SAMDD051	549155	101043	1054	0	-90	57.0	18	21	3	1.64
SAMDD052	549472	100952	971	0	-90	60.0	13	14	1	1.54
SAMDD053	549116	101085	1052	40	-65	78.0	17	23	6	4.18
							44	45	1	16.90
							49	50	1	1.27

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Length	Au g/t
							53	78	25	1.87
SAMDD054	549502	100870	977	40	-60	61.5	16	18	2	2.47
							21	38	17	3.60
SAMDD055	549544	100857	961	40	-60	52.0	5	11	6	1.55
							14	38	24	3.25
SAMDD056	549201	101103	1010	0	-90	80.5	35	41	6	11.28
							46	47	1	1.14
SAMDD057	549583	100848	935	40	-60	40.0	1	2	1	1.14
							3	5	2	1.03
							14	31	17	1.54
SAMDD059	549257	101100	987	0	-90	80.0	48	57	9	3.71
SAMDD060	549564	100904	942	0	-90	30.0	1	4	3	1.32
SAMDD061	549274	101045	983	0	-90	72.2	0	2	2	4.20
							5	7	2	6.65
							11	12	1	1.21
							28	47	19	5.84
SAMDD071	549420	100887	1004	40	-60	54.3	3	6	3	1.54
							13	14	1	1.64
							29	36	7	6.49
SAMDD072	549404	100875	1013	39	-65	130.0	9	13	4	3.21
SAMDD073	549402	100915	996	40	-60	80.0	2	10	8	2.38
							13	15	2	1.76
SAMDD076	549060	100853	1143	220	-70	120.0	4	7	3	2.17
SAMDD081	549263	100771	1073	220	-70	72.0	4	5	1	1.03
SAMDD086	549221	101121	1010	0	-90	114.1	57	72	15	4.26
SAMDD088	549191	101127	1020	220	-60	72.5	38.8	44.95	6.15	2.97
SAMDD089	549211	101151	1020	222	-61	80.0	62.1	71	8.9	1.93
SAMDD091	549538	100951	955	224	-61	105.0	24.4	26.4	2	1.57
SAMDD092	549171	101105	1020	220	-61	71.0	25	26	1	1.72
							34.25	41	6.75	2.54
SAMDD093	549505	100914	971	222	-60	100.0	0	14.4	14.4	2.25
							25.9	26.9	1	2.01
							29.9	31.1	1.2	6.38
SAMDD094	549176	101145	1036		-90	108.7	83.55	90.4	6.85	3.35
SAMDD096	549131	101171	1053	222	-60	122.0	62.5	65.5	3	3.11
							70.9	90.05	19.15	1.92
SAMDD097	549390	100859	1021	0	-90	66.7	28.15	29.15	1	2.16
SAMDD098	549417	100965	990	0	-90	83.3	22	24	2	3.24
SAMDD099	549096	101206	1077	219	-62	190.0	101	102	1	1.51
							104.85	105.85	1	1.64
SAMDD100	549096	101206	1077	221	-67	123.8	97	98.3	1.3	1.06
							105.85	107	1.15	1.26
							109	110.55	1.55	1.77
SAMDD101	549404	100988	986	222	-60	91.0	38.15	39.5	1.35	3.74

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Length	Au g/t
SAMDD102	549091	101125	1048	223	-60	83.0	2	3	1	1.29
							6	9.2	3.2	9.18
							23	24.15	1.15	1.85
SAMDD103	549417	101004	971	222	-60	80.0	18	19.15	1.15	1.61
							25.35	27	1.65	1.35
							40.1	45	4.9	2.25
SAMDD104	549122	101070	1067	120	-90	126.8	3	7	4	1.43
SAMDD105	549360	101013	985	222	-60	74.0	35	36	1	1.08
							49.35	56.55	7.2	1.04
SAMDD107	549344	100995	991	222	-60	72.5	3	4	1	4.79
SAMDD109	549341	101029	976	0	-90	73.0	30	32	2	1.95
							35	38.6	3.6	1.49
SAMDD111	549311	100996	1002	222	-60	92.0	10.8	17.2	6.4	3.59
SAMDD112	549316	101078	969	222	-60	143.0	45.7	52	6.3	3.60
SAMDD113	549305	100952	1022	222	-90	66.8	4.55	5.6	1.05	3.10
SAMDD114	549488	100970	968	152	-90	56.2	5	6.3	1.3	1.92
SAMDD116	549373	100959	995	223	-60	90.6	10	13.3	3.3	4.53
SAMDD117	549176	101145	1036	222	-50	150.0	52.9	59	6.1	2.67
							71	77	6	1.74
SAMDD119	549257	101100	987	222	-55	131.1	33	42	9	4.64
							45	47.05	2.05	4.21
SAMDD120	549341	101029	976	221	-51	80.7	34	35	1	1.01
							41.4	43	1.6	2.79
							51	53	2	1.54
SAMDD121	549176	101145	1036	222	-60	120.8	60	63.4	3.4	1.12
							70	71.9	1.9	1.76
SAMDD122	549341	101029	976	222	-72	122.6	21	23	2	1.57
							41	43	2	2.22
SAMDD123	549201	101103	1010	222	-50	111.9	27	28.6	1.6	1.44
							33.7	34.7	1	1.45
							38	41.25	3.25	2.89
SAMDD124	549176	101145	1036	224	-76	132.8	75.85	82.4	6.55	5.59
SAMDD125	549390	101048	962	224	-56	63.0	51.25	52.9	1.65	1.28

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 down hole 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): Standards, duplicates, blanks
8. Coordinates in UTM grid system (WGS84 z47N)

Table 2: Summary of silver intercepts of greater than 14 g/t Ag for diamond drill holes SAMDD001 to SAMDD125, note that holes SAMDD001 to SAMDD085 were completed prior to the recent infill drilling program

Hole_ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth (m)	From	To	Length	Ag g/t
SAMDD019	549222	101042	1017	350	-90	73.6	59	62	3	25.67
SAMDD033	549603	100867	925	216	-60	70.0	0	8	8	14.62
SAMDD045	549183	101080	1013	0	-90	52.0	27	34	7	28.10
SAMDD048	549227	101040	1018	40	-60	100.0	10	14	4	61.00
SAMDD053	549116	101085	1052	40	-65	78.0	54	59	5	22.00
							66	78	12	26.83
SAMDD092	549171	101105	1020	220	-61	71.0	36	43.85	7.85	22.46
SAMDD096	549131	101171	1053	222	-60	122.0	75.9	90.05	14.15	48.10
SAMDD117	549176	101145	1036	222	-50	150.0	71	77	6	20.00

Notes

1. *All Ag assays determined by Hydrochloric/Perchloric digestion with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta*
2. *Lower cut of 5.0ppm Ag used*
3. *A maximum of 2m of consecutive internal waste (material less than 5.0ppm Ag) per reported intersection*
4. *All interval grades were calculated as a weighted average*
5. *All intervals reported as down hole 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): Standards, duplicates, blanks*
8. *Coordinates in UTM grid system (WGS84 z47N)*

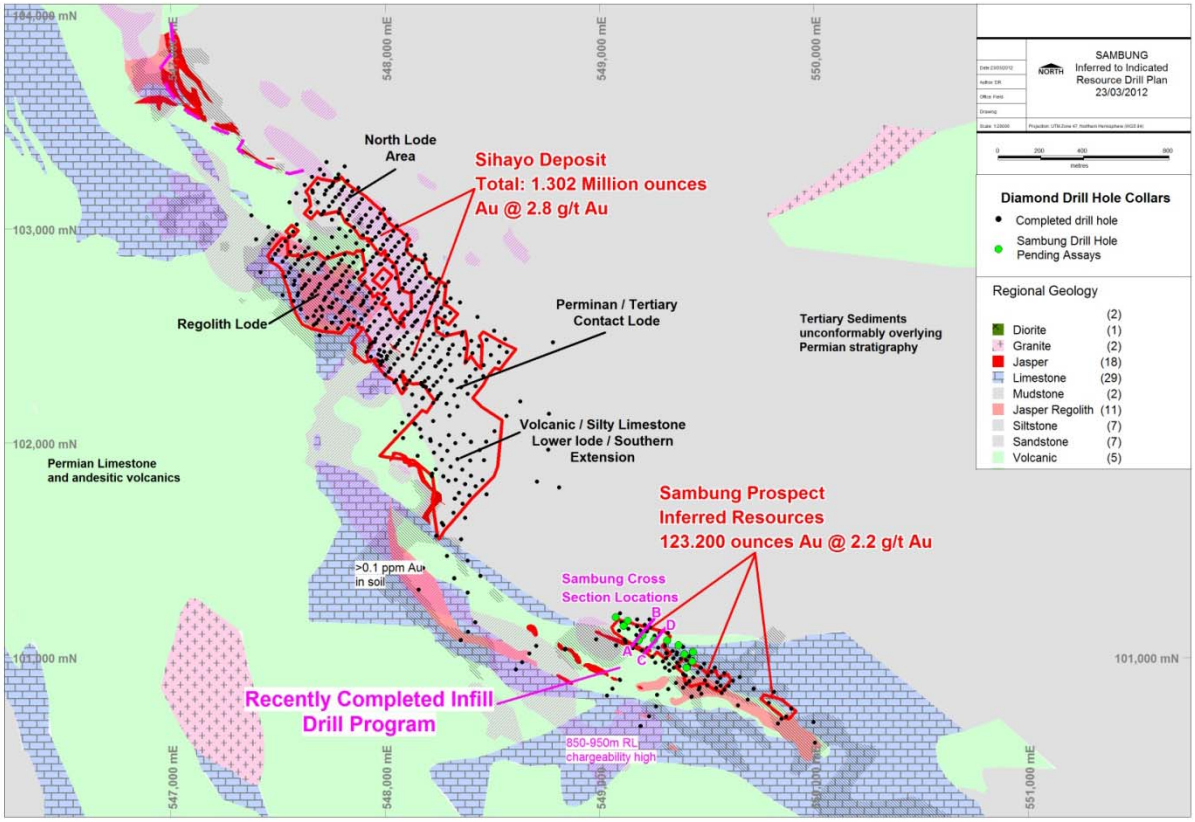

Figure 1: Sihayo-Sambung Drill Plan

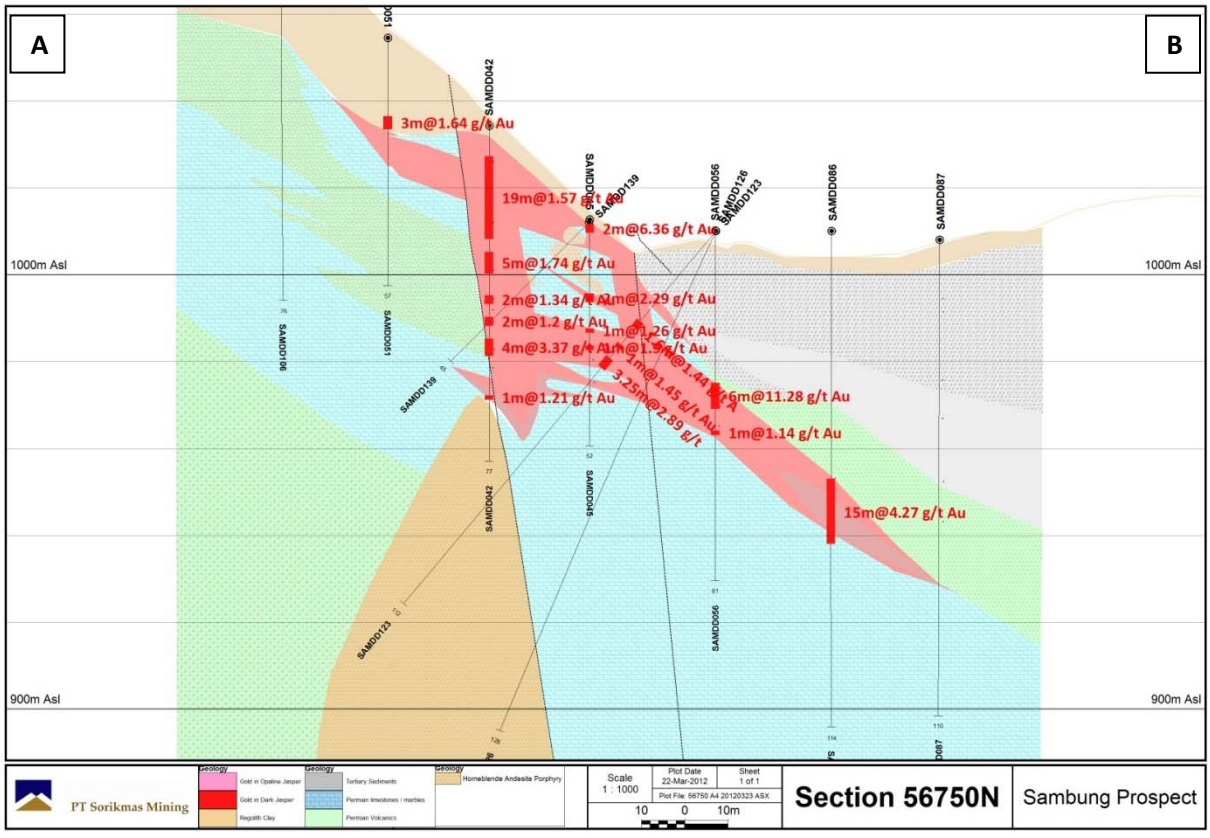

Figure 2: Cross Section 56750N at the Sambung prospect. NB: Located on Figure 1. Looking NW.

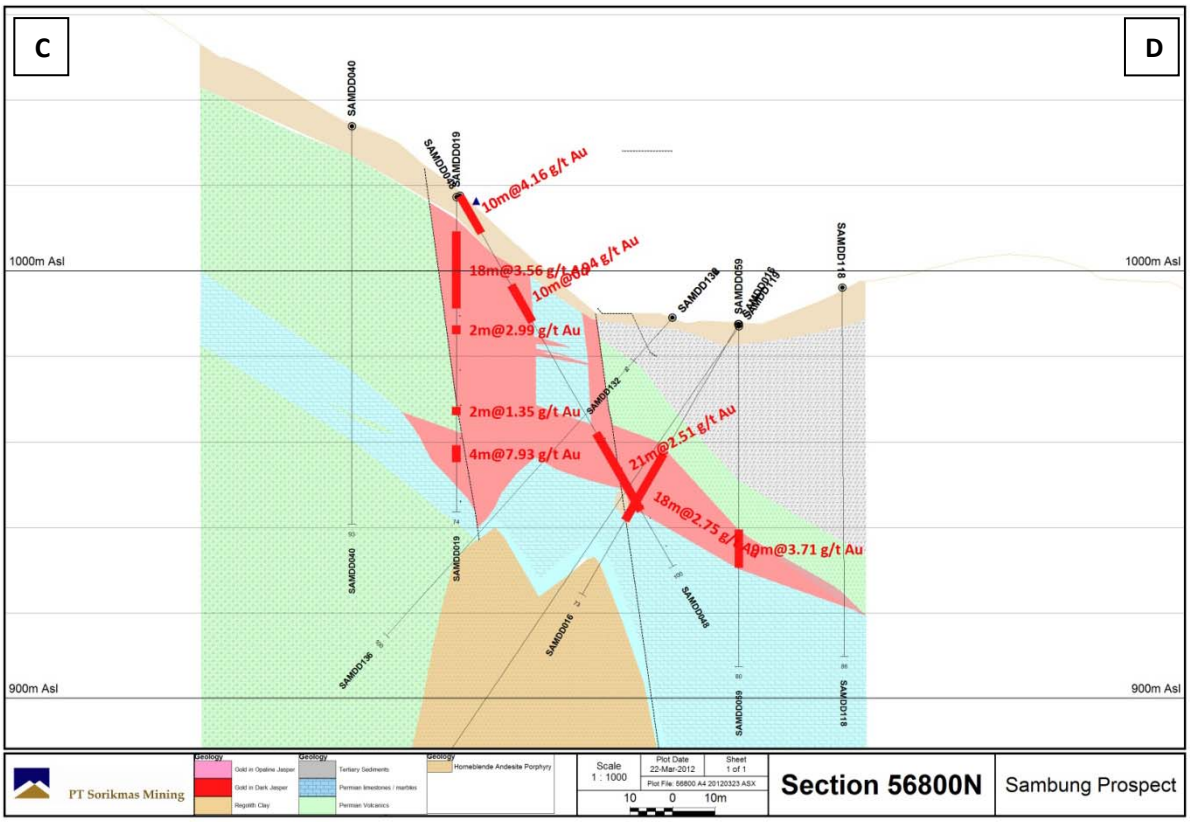

Figure 3: Cross Section 56800N at the Sambung prospect. NB: Located on Figure 1. Looking NW.

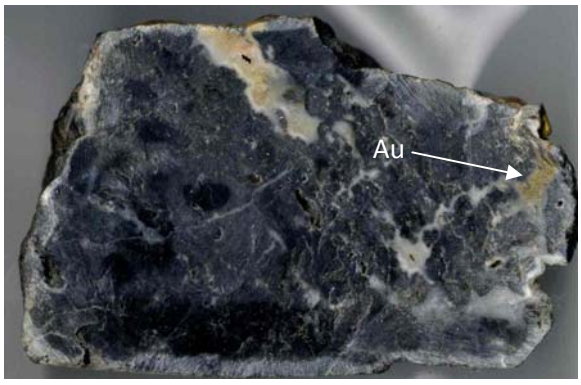

Fig. 4. Jasper cut by late opaline-chalcedonic quartz with visible gold grading 443 g/t Au from SAMDD002 (22.55m to 22.65m depth).

Fig. 5. Jasper cut by late colloform banded opaline-chalcedonic quartz +adularia from SAMDD002 (36.15m to 36.25m).

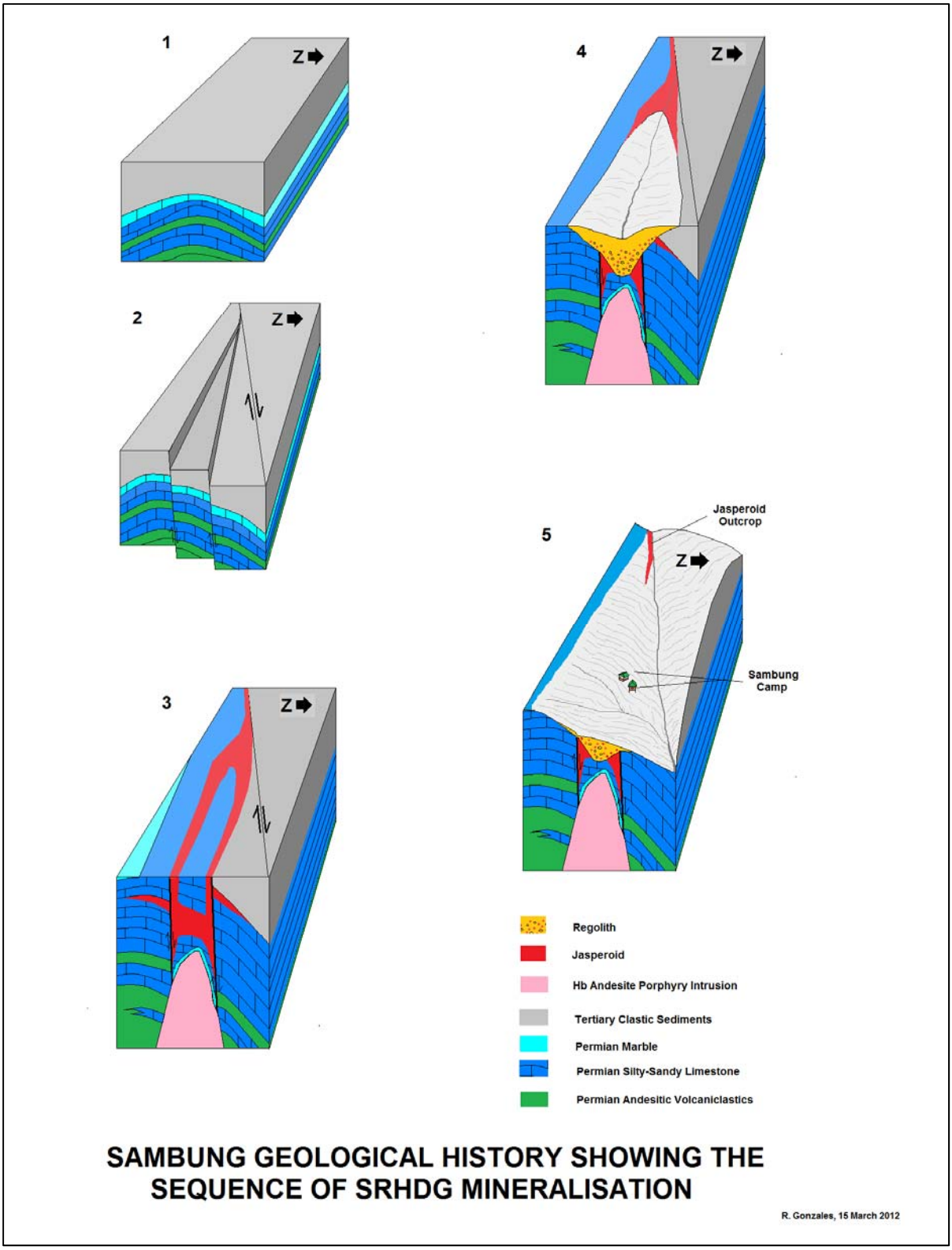

Figure 6: Sambung Geological Model: SRHDG – Sedimentary Rock Hosted Disseminated Gold

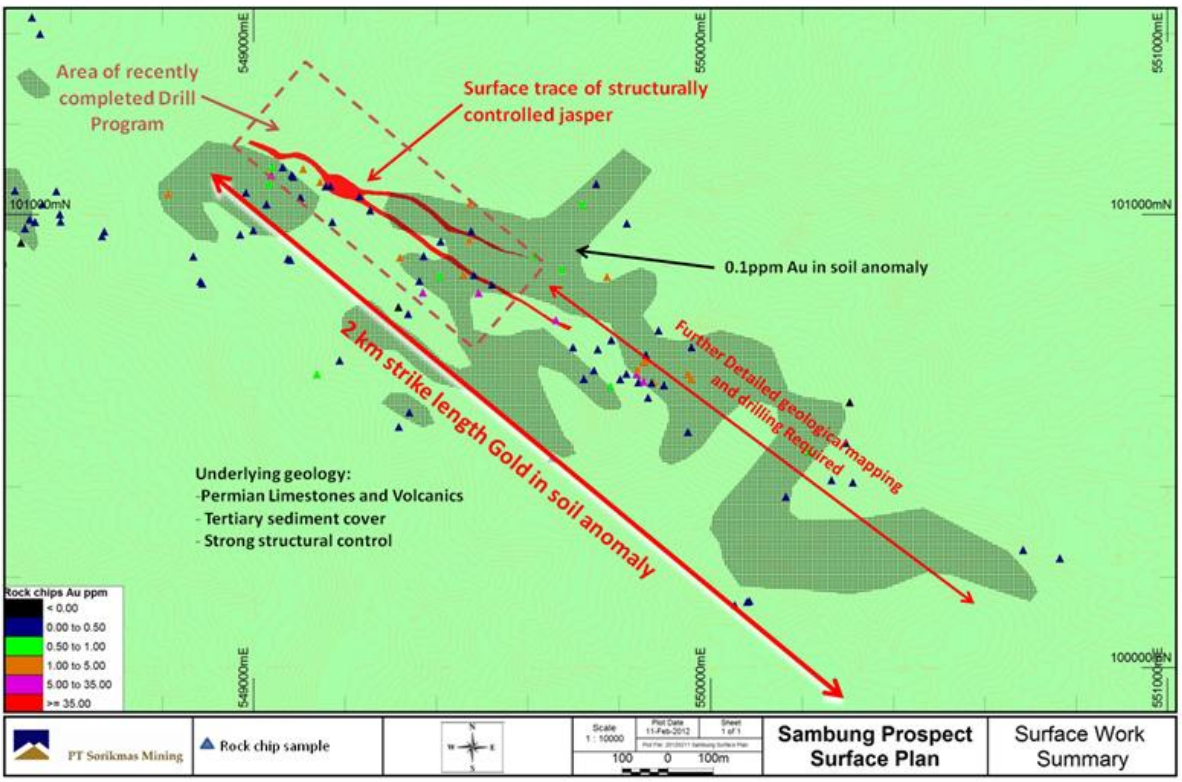

Figure 7: Sambung Prospect Surface Plan showing current known gold mineralisation extent

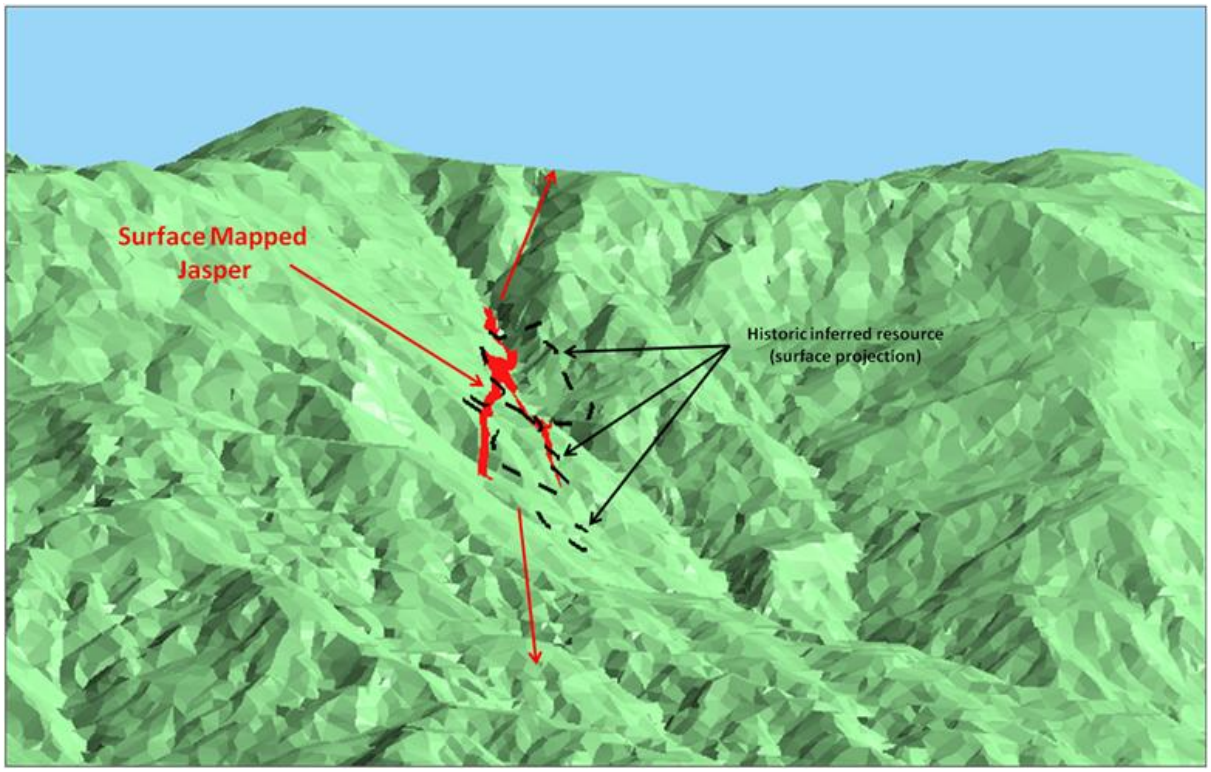

Figure 8: Sambung Prospect. LIDAR DTM with surface mapped Jasper and historic resource boundaries. Looking NW. V/H =1