



ASX ANNOUNCEMENT 23 DECEMBER 2009

EXERCISE OF OPTIONS

Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam,

Sihayo Gold Limited (SIH) is pleased to announce the issue of 30,000,000 shares to Indonesian institutional investors following the exercise of options granted as part of the funding package approved at the recent AGM.

The exercise of this first tranche of options shows confirmation of financial support by the investment group and the Company now has \$2.6 million in cash, which will be utilised to fund the ongoing definitive feasibility study into the Sihayo Gold Project.

The Indonesian investors hold two additional tranches of options, which upon exercise in March and May 2010, should provide a further \$2.5 million in funding for the project study.

Yours faithfully,
SIHAYO GOLD LIMITED

A handwritten signature in black ink, appearing to read "Tony Martin", is written over a light grey rectangular background.

TONY MARTIN
Chief Executive Officer