

Central Asia Gold

Changed date for the publishing of the annual report and change of the 2007 gold production plan

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NGM "CAG"

Central Asia Gold AB changes the date for the publishing of the annual report for 2006 to harmonize with the Swedish Law on Companies. This implies that the annual report will be published on the company's website on May 29 instead of on May 23. Thereafter the annual report gets distributed to all shareholders.

As regards the operations, Central Asia Gold AB currently focuses on its new gravimetric processing plant on the Tardan deposit. The plant was commissioned in December 2007 and the first quarter of 2007 was devoted at calibrating the equipment in the plant. The plant is now operating, which can be seen by a picture series on the website www.centralasiagold.se.

So far the experience from the plant's work is mainly positive. The plant demonstrates promised efficiency in the gravimetric processing stage with an extraction coefficient on or exceeding 50%. Thus the process works according to plan. There are, however, still bottlenecks in the middle of the plant mainly represented by the sieves that were imported from abroad. The now installed sieves do not yet reach the targeted capacity. The supplier has promised to remove this problem by upgrading the equipment. This will take some time.

The actual gold production began systematically as from the second quarter of this year. Thus no gold production occurred during the first quarter, but certain gold produced in 2006 was sold during that period. The plant's capacity is 100,000 tons of ore processing per year, which equals approximately 8,000 tons per month. During April 2007 2,600 tons were processed resulting in some 10 kg of gold given gravimetric processing with an extraction coefficient of some 50%. During the first 20 days of May gold production increased to 10 kg of gold. When the bottlenecks get removed production will increase substantially.

The group's two alluvial gold producers Artelj Tyva in the Tyva region and Artelj Lena region have in May started their production season. Provided nothing unexpected occurs, the two entities plan to produce approximately 1,100 kg of gold in 2007.

Given what is stated above as regard the Tardan plant, it is believed that Tardan will deliver some 200 – 230 kg of gold in 2007. Central Asia Gold's 2007 total gold production is therefore now planned to be in the interval 1,250 – 1,350 kg (40,000 – 42,000 oz). The previous production target was 1,400 – 1,500 kg for 2006.

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Central Asia Gold AB is a Swedish junior 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 747,000 troy ounces (1 troy ounce = 31.1 g) of Russian gold reserves C1/ C2. CAG AB plans to produce 1,250 – 1,350 kg of gold (40,000 – 43,000 oz) during 2007.

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 as regards the geologic information available in respect of the various projects undertaken; (iii) CAG's continued ability to secure enough financing for carrying 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 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.