



PRESS RELEASE 2011-07-29
Central Asia Gold AB (publ)

Central Asia Gold AB raises SEK 28 million through a directed new share issue.

Central Asia AB (publ) has on July 28, 2011 (after the closing of First North) completed a directed new share issue encompassing 1 600 000 new shares at an subscription price of SEK 17,50 per share. Through the new share issue, the company raises SEK 28 million. The new share issue was directed to a limited number of specifically selected qualified investors.

When determining the subscription price for the completed new share issue the Board has considered the current market conditions, the price elasticity of qualified investors, the company's financial situation and the previous average share price. The subscription price equals to a discount of approx 10 % of the average share price during the previous 20 trading days.

”The funds from the directed share issue will be used for further strengthen the Company’s financial position and for amortization of outstanding bank loan.” says Lars Guldstrand the Chairman of the Board of Central Asia Gold AB.

The Board of Directors has resolved on the directed new share issue based on the authorisation from the Annual General Meeting held on May 31, 2011. Through the directed new share issue, the number of shares in the Company increases by 1 600 000 to a total of 17 616 987 with a dilution effect of approximately 10 per cent. The share capital is increased by SEK 18 000 000 to a total of SEK 198 191 103:75 through the directed new share issue.

Additional information:

Short name: CAG

ISIN-code: SE0001337213

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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. In 2010, totally 730 kg of gold was

produced. As of the beginning of May 2011, the company's assets were estimated to encompass some 1,000,000 oz of C1/ C2 Russian gold reserves (around 32 tons).

Since July 19, 2010, Central Asia Gold'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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