

Central Asia Gold

**Notice
Of Annual General Meeting
Of Central Asia Gold AB (publ)
2008**

PRESSRELEASE DATED MAY 15, 2008

Shareholders of Central Asia Gold AB (publ) ("the Company") are hereby convened to the Annual General Meeting at 3 p.m. on Thursday, June 12, 2008, at Operakällaren, Karl XII's Torg, 111 47 Stockholm. Registration to the meeting commences at 14.30.

REGISTRATION

Shareholders who wish to participate must:

- (i) Have their names entered in the register of shareholders maintained by VPC AB (the Swedish Central Securities Depository) on Thursday, June 5, 2008. Those whose shares are registered in the names of nominees must, prior to June 5, 2008, temporarily register the shares in their own name in order to be entitled to participate at the Annual General Meeting.
- (ii) Notify of their attendance to the Company on Monday, 9th June 2008 at the latest 16.00. This notice must be delivered to the Company by phone +46 8 624 26 80, by fax +46 8 624 37 20, by e-mail to the address agm@centralasiagold.se or by regular mail to the registered address Central Asia Gold AB, Brovägen 9, SE-182 76 Stocksund. The notification must include the shareholder's complete name, personal ID number or organization number, address and telephone and, where applicable, information on any deputy, representative and assistant. In order to facilitate admission to the meeting, the

notification should, where applicable, be accompanied by a power of attorney, registration certificate or other proof of authority. A power of attorney (Swedish version) can be downloaded from the Company's website www.centralasiagold.se.

PROPOSED AGENDA

- 1) Opening of the Annual General Meeting
- 2) Election of Chairman of the meeting
- 3) Preparation and approval of the voting list
- 4) Approval of the Board's proposed agenda
- 5) Election of one or two minute-checkers
- 6) Determination as to whether the meeting has been properly convened
- 7) Presentation of the Annual Report and the Audit Report as well as the Consolidated Accounts and the Audit Report of the Group
- 8) Resolution on
 - a) adoption of the Profit and Loss Statement and the Balance Sheet as well as the consolidated Profit and Loss Statement and the Consolidated Balance Sheet
 - b) dispositions in respect of the company's profit or loss pursuant to the adopted Balance Sheet
 - c) discharge from liability of the Directors and the Managing Director
- 9) Resolution of the number of board members
- 10) Determination of fees payable to Board of Directors and the Auditor
- 11) election of Directors and Chairman of the Board
- 12) Election of Auditor
- 13) Resolution of the principles for appointment of the nomination committee
- 14) Resolution on
 - a) authorisation for the Board to resolve on new issues of shares
 - b) guidelines regarding fees to the management
- 15) Other matters and closing of the meeting

PROPOSALS FOR THE ANNUAL GENERAL MEETING

Point 8 b. Proposal concerning allocation and distribution of result

The Board and the Managing Director propose that the parent company's total accumulated loss of TSEK -27,690 be covered by a transfer of a corresponding amount from the surplus fund, and that no dividends shall be paid out for the financial year.

Point 2, 9-12. Election of Directors, etc.

Shareholders, representing approximately 26 percent of the total number of votes ("the Major shareholders"), have made the following proposals to the General Meeting:

- The Major shareholders propose that the chairman of the general meeting be Mr. Clas Romander, lawyer of law firm Delphi Law in Stockholm.

- It is proposed that, until the next annual general meeting, the Board shall comprise eight (8) ordinary members.
- It is proposed that remuneration to the Board for the coming term comprises a total SEK 240,000, of which SEK 100,000 shall be paid to the independent member of the board, Örjan Berner and SEK 20,000 each to the other members. It is proposed that remuneration to the auditor shall be paid as per approved invoicing.
- Mikhail Malyarenko, Örjan Berner, Peter Geijerman, Alexander Gerasimov, Alexander Merko, Paal Hveem, Patric Perenius and Torbjörn Ranta are proposed for re-election. It is further proposed that Mikhail Malyarenko is appointed as the board's Chairman.
- The certified auditor Johan Arpe from the audit bureau Ranby Björklund is proposed for new election for the period lasting until the end of the annual general meeting held in 2012.

Point 13. Establishment of principles for appointment of the nominations committee

The Major shareholders propose that the general meeting establishes the following principles: The Company shall have a nominations committee consisting of the Chairman of the board and four other members who represent each of the four owners that hold the greatest number of votes. The owners with the greatest number of votes shall be contacted on the basis of the Company's list of registered shareholders (by ownership group) per the 31st October 2008, which will be made available by the Swedish Central Securities Depository (VPC). Shareholders who are not registered in the VPC, and who wish to utilize their right, shall report this to the Chairman of the board in order to confirm their legal position. Immediately after the end of October, the Chairman of the board will contact the four owners with the largest number of votes as per the above, and ask them to each select a member. If any of the shareholders withdraw their right to appoint a member to the nominations committee, the next shareholder in size shall be given the opportunity to appoint a member. The name of the owner representatives and the name of the shareholder they represent shall be made public at the latest six months before the Annual General Meeting. The mandate period of the nominations committee shall extend until a new nominations committee is appointed. The Chairman of the nominations committee shall, unless the members otherwise agree, be the member who represents the largest shareholder. If a member leaves the nominations committee before the work is completed, and if the nominations committee believes there is need to replace this member, the nominations committee shall appoint a new member. No remuneration shall be made to members. The Company shall pay the nominations committee reasonable costs for travel and investigations

The nominations committee shall propose to the annual general meeting: (i) the selection of the Chair for the general meeting; (ii) the number of board members; (iii) the selection of the Chairman for the board and other board members; (iv) remuneration to the board divided between the Chairman and other members; (v) any compensation for committee work; and (vi) the selection of and remuneration to auditors and auditor deputies (whenever applicable). In addition, the nominations committee shall submit a proposal for the principles for appointment of a new nominations committee.

Point 14 a. Decision on authorization for the Board to determine a new issue of shares

The Board proposes the meeting authorizes the Board, until the time of the next annual general meeting, with or without deviation from the shareholders' preferential rights, in the event of one or more cases, to decide whether to issue a total maximum 80,000,000 new shares, entailing a capital increase of a maximum SEK 16,000,000, equivalent to a dilution of approximately 16.25 percent of the Company's share capital and total number of votes. This dilution has been calculated as the number of shares and votes that at the most can be issued divided by the total number of shares and votes following such an issue. The purpose of the authorization is amongst other to facilitate financing of takeovers. Payment shall only occur by cash or via subscription in kind or set-off. Deviation from the shareholders' preferential rights shall be entitled to occur in the event where a directed issue, due to time, business or equivalent reasons, is more advantageous for the Company. In any event the subscription price shall be as near to the market value as possible.

Point 14 b. Decision on guidelines for remuneration to the company management

The Board proposes that the annual general meeting approves guidelines for remuneration to leading employees in the Central Asia Gold group ("The Group"), with the following principal contents:

The guidelines shall apply for remunerations and other conditions of employment for the MD and for other members of the Group's management ("The Group Management").

Guidelines

The guidelines shall apply for the employment contract that is entered into following the meeting's decision, and in the event that changes are made to the existing conditions following this time. The Company shall endeavour to offer a total remuneration that is reasonable and competitive given the conditions in the individual country. The remuneration shall vary in proportion to the individual's and the Group's performance. It is proposed that the total remuneration to the Group's management shall consist of the components stated below.

Fixed salary

The fixed salary ("The basic salary") shall be market adjusted and be based on responsibility, competence and performance. The fixed salary shall be revised each year.

Variable salary

The variable salary shall be related to the Company's profitability of assets, and growth of reserves and production, as well as specific goals within the respective employees' areas of responsibility. The variable salary shall be paid on an annual basis and a maximum of twice the annual Basic Salary may be paid.

Long-term incentive programme

The board intends to regularly evaluate the need for a long-term incentive programme, which shall be proposed at the annual general meeting.

Insurance benefits

Old age pension, sickness benefits and medical benefits will, whenever applicable, be constituted so that they reflect the regulations and practices of the native country. Where possible the pension plans shall be contribution based. In individual cases, depending on the tax and/or social insurance legislations that apply for the individual, other balanced pension plans and pension solutions may be approved.

Other benefits

Other benefits shall be made available to individual members of the Group management or the entire Group management. These benefits shall not constitute a significant section of the total remuneration. The benefits shall further correspond to what is normally applicable to the market.

Cancellation and severance pay

The period of notice shall be a maximum twelve months in the event of cancellation that is initiated by the Company and a maximum six months in the event of cancellation that is initiated by a member of the Group management.

In individual cases the Board shall be able to approve severance pay beyond the period of notice. The severance pay can only be paid following cancellation by the Company or when a member of the Group management cancels due to a significant change in the member's work situation, which may result in him or her not being capable of fulfilling satisfactory employment.

Deviations from the guidelines

The Board shall be entitled to deviate from these guidelines if there are special reasons to do so in specific cases.

INFORMATION ON TOTAL NUMBER OF SHARES AND VOTES

Per the 15th May 2008 there were a total 412 210 070 shares in the Company and an equivalent number of votes.

GENERAL

The Annual Accounts and the Auditor's Report (items 7-8) as well as the Board of Director's complete proposals pursuant to item 14 will be available at the Company office - Brovägen 9, Stocksund – as from May 29, 2008, and will be sent to shareholders upon request at the address given. The material will also be accessible on the Company's website www.centralasiagold.se. All the above documents will also be available at the meeting.

Stockholm, May 2008

The Board of Directors

For more information, please contact:

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Central Asia Gold AB is a Swedish 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 645,000 troy ounces (1 troy ounce = 31.1 g) of C1/ C2 Russian gold reserves.

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.