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**ASX ANNOUNCEMENT**

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## **APPLICATIONS LODGED FOR GEOTHERMAL EXPLORATION LICENCES IN THE KYRGYZ REPUBLIC**

Kentor Gold Limited has lodged Prospecting Licence Applications for five areas in the Kyrgyz Republic considered to be prospective for geothermal energy of the Hot Fractured Rock type analogous to the Cooper Basin. The exploration target in each area is hot fractured granite with temperatures in excess of 250°C. Should the exploration programme be successful, the business plan is to generate emission-free electricity for export to China. The rapidly developing Xinjiang-Uyghur Autonomous Region of China lies adjacent to the Kyrgyz Republic.

Kentor's applications are the first for geothermal energy in the Kyrgyz Republic. While Kentor has received verbal assurance from the Kyrgyz State Agency for Geology and Mineral Resources that the applications will be favourably considered, we await confirmation in writing.

### **North Issykkul and South Issykkul PLA's**

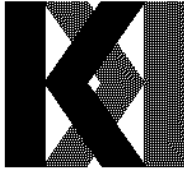
Lake Issykkul is a large (22,080 km<sup>2</sup>) body of water at an altitude of 1,600 metres in the Tien Shan Mountains which remains unfrozen throughout the severest winter. The depth of the lake is 668 metres. Soviet and Russian research indicates that the energy to warm the lake enters through a broad system of transorogenic faults striking north-west across the middle of the lake, and that the energy enters from the sides rather than the bottom.

On the northern shore, basement granites lie under one or two kilometres of sedimentary material. Data collected in petroleum exploration wells and groundwater wells showed geothermal gradients ranging from zero near surface to a maximum of 88°C/km at deeper levels. The area of the lake shore where the highest temperatures are coincident with significant sedimentary cover has been incorporated into the application for North Issykkul, 159 square kilometres around the resort town of Cholpon Ata.

On the southern shore, the sedimentary cover is thicker. Seismic surveys indicate a depth of cover of up to 5 kilometres. There has been no deep drilling in this area of the southern shore, but drilling for groundwater has produced water at elevated temperatures. This section of the southern shore, centred on Barskaun, has been incorporated into the application for South Issykkul, 248 square kilometres.

### **Kyzylompul PLA**

The Kyzylompul area is characterised by syenite and granosyenite intrusions forming the Kyzylompul and Sandyk massifs. These massifs contain anomalous concentrations of radioactive material including uranium, thorium, and potassium. Natural radioactivity levels recorded by Soviet investigators are up to 120 µR/hour (micro-Roentgen per hour). Normal natural background levels of radiation range from 0.17 to 11 µR/hour.



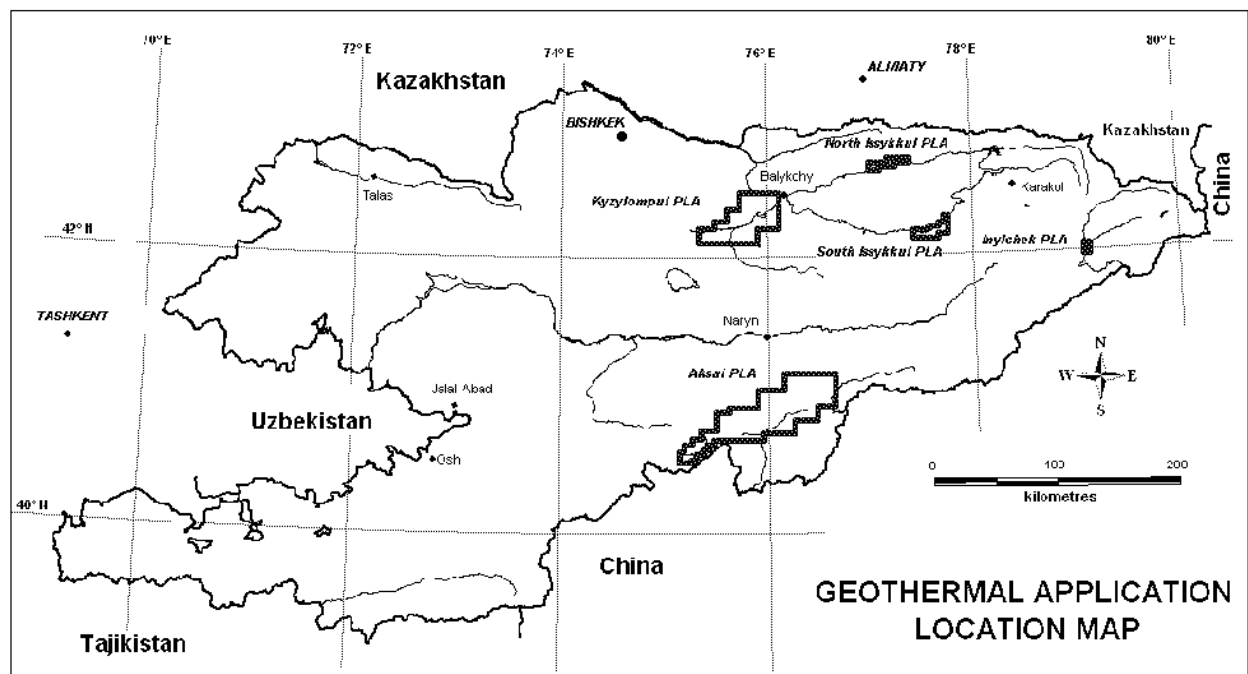
The radioactive granites outcrop in some areas, where heat is dissipated. However, large areas are under significant depths of sedimentary cover. The exploration target is radioactive granite where it lies under an insulating cover of about three kilometres and the temperature has thus built up to around 250°C. The Kyzylompul licence application covers 1,657 square kilometres.

### Aksai PLA

The Aksai Basin is underlain by young granites of the same age as the Kyzylompul massif, and there is sedimentary cover of up to 5km. Anomalously high heat flows have been recorded by Soviet researchers, and Soviet reports record geothermal waters rising on a number of faults in the basin. A substantial amount of geophysical work has been completed over the Aksai Basin, including gravity, electrical sounding and aeromagnetic surveys. Kentor now has access to the records of this work. An area of 3,455 square kilometres incorporating where heat anomalies have been recorded has been applied for.

### Inylchek Area

While exploring for tin, Soviet geologists developed an adit which passed through a fault into hot granite 700 metres from the portal. Rock temperatures of over 70°C persisted until the adit was abandoned 1,000 metres further on. The implied geothermal gradient is 150°C /km. It is thought that these elevated temperatures are associated with the intersection of a north-south striking fault with the Inylchek suture line. An area of interest covering 22 square kilometres has been applied for.



**Company background:** Kentor Gold Ltd is a listed Australian (ASX code "KGL") specialist gold explorer focused on the highly prospective Tien Shan belt in the Kyrgyz Republic in Central Asia. Kentor is undertaking an aggressive gold exploration program around the Centerra owned Kumtor gold mine together with an active and successful project generation program elsewhere in the Kyrgyz Republic. For further information on Kentor visit [www.kentorgold.com](http://www.kentorgold.com)