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<b>Company</b>	<a href="#">Peninsular Gold Limited</a>
<b>TIDM</b>	PGL
<b>Headline</b>	Drilling Report
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**15 January, 2007**

**Peninsular Gold Limited  
(‘Peninsular Gold’ or ‘the Company’)**

**Update On Tersang, Chenua And Kekabu Projects**

- Further Drill Results From Tersang Reveal Promising Widths & Grades up to 31m at 0.93g/t gold**
- Drilling To Begin Shortly At Chenua**
- Regional Exploration Taking Place In The Kekabu Area**

Peninsular Gold Limited (AIM: PGL), the Malaysian gold mining and exploration company, is pleased to provide an update on progress at its Tersang, Chenua and Kekabu projects in the State of Pahang, Malaysia.

At Tersang, an initial phase of exploration has been completed on the southern part of the deposit. A total of 5,640 metres of reverse circulation (RC) drilling has been carried out, along with extensive trenching.

Most of the drill holes are dipping 60 degrees and are orientated either north or south, with a depth of between 27 metres and 104 metres. The drilling interval consists of east-west profiles every 100 metres across a north-south base line, with each profile composed of three drilling sites separated by 50 metres, with two holes per site.

Gold mineralisation at Tersang is hosted in widespread and dense quartz stockwork, controlled by a shear zone that is part of the Raub-Bentong suture, a major geological feature of West Malaysia.

The table below shows a selection of new drilling intersections from this programme, in addition to the previous release dated 13 July 2006.

Update on RC drilling at Tersang

HOLE	Incl. (Deg.)	Dir. (Deg.)	From (m)	To (m)	Section
061	-60	90	48.00	49.00	1.00 m @ 3.25 g/t
065	-60	180	8.00	9.00	1.00 m @ 14.35 g/t
			79.00	90.00	11.00 m @ 1.01 g/t
066	-60	360	79.00	98.00	19.00 m @ 1.04 g/t
			65.00	67.00	2.00 m @ 1.28 g/t
			79.00	80.00	1.00 m @ 5.13 g/t
			87.00	88.00	1.00 m @ 7.75 g/t
070	-60	360	0	31.00	31.00 m @ 0.93 g/t
			<i>Including:</i>		15.00

A comprehensive drilling programme will commence on the northern part of the Tersang deposit in the next few months, and trenching has already begun with a selection of trench results shown in the table below.

Update on trenching at Tersang

TRENCH	Avg orient. (Deg.)	Avg dip (Deg.)	From (m)	To (m)	Section
TC04	186	6	12.00	16.00	4.00 m @ 1.70 g/t
			69.00	90.00	21.00 m @ 1.03 g/t
TC05	316	-7	52.00	53.00	1.00 m @ 3.68 g/t
TC06	151	1	56.00	67.00	11.00 m @ 2.24 g/t
			<i>Including:</i>		62.00
TC07	139	-7	32.00	79.00	47.00 m @ 1.01 g/t
			32.00	33.00	1.00 m @ 2.00 g/t
			36.00	38.00	2.00 m @ 2.06 g/t
			54.0	55.00	1.00 m @ 3.79 g/t
<i>Including:</i>		72.00	73.00	1.00 m @ 13.35 g/t	

The Company's expectation is that in due course, the amalgamation and evaluation of the results of drilling on the northern and southern parts of the Tersang deposit will enable an updated resource

estimate for the entire deposit to be compiled. The current estimate is of an inferred resource of 528,000 ounces (as previously disclosed in the Company's AIM admission document dated 17 June 2005), and the Company's target is 1 million ounces.

### **Chenua Project Update**

Exploration of the Chenua deposit, which lies a short distance to the east of Tersang and is geologically analogous, has started.

Ground geophysics and soil sampling are being carried out and will be followed in the early part of the year by a programme of trenching.

Gold mineralisation at Chenua is defined by a large radiometric anomaly, and there is evidence of widespread historic alluvial mining nearby.

### **Kekabu Regional Exploration**

Reconnaissance of promising areas in the vicinity of the Tersang and Chenua deposits is ongoing, with the focus of activity on previously identified high rank gold stream-sediment anomalies in the Kekabu area.

All ongoing exploration is in line with Peninsular's strategy of finding and developing new gold deposits in Malaysia.

To the south of Tersang, Chenua and Kekabu is the Raub gold mine, which is controlled by Peninsular and which has documented historic gold production of 1 million ounces.

Raub is the site of the Company's proposed Carbon-In-Leach (CIL) gold production plant, financing for which is currently at the due diligence stage. For more information on the Raub CIL project, please refer to the release dated 23 November 2006.

Dato' Sri Andrew Kam, Chairman & Chief Executive of Peninsular Gold Limited, commented: 'We are very pleased with the drilling and trenching results from the Tersang deposit and are excited to have begun work at Chenua. We anticipate that both will play key roles, along with the Raub project, in underpinning the growth of Peninsular Gold in the years to come. Furthermore, reconnaissance within the Kekabu regional exploration area has the potential to turn up additional advanced targets.'

### **Qualified Person's Declaration**

The information in this report that relates to Exploration Results or Mineral Resources for the Tersang and Chenua areas is based on information compiled by Remi Bosc who is a Member of the Union Française des Géologues (UFG). Remi Bosc, who is a consultant geologist appointed by the Company, has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a qualified person as defined in the March 2006 Edition of the AIM

Guidance Note for Mining, Oil and Gas Companies. He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

**- End -**

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