



Kalimantan Gold Corporation Limited

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Study Confirms Potential for a Major Copper Porphyry Deposit at the KSK Project

Kalimantan Gold Corporation Limited (AIM: KLG:LSE and TSX Venture Exchange in Canada: KLG:TSX.V) is pleased to report encouraging results from the reprocessing of geophysical data from its KSK Contract of Work ("KSK CoW") by experts in Australia using advanced "inversion" processing techniques. Combined with a comprehensive review of all historic data, the inversion modeling has produced new insights as to the location of multiple buried IP and magnetic bodies, confirming the potential for major porphyry copper deposits within the KSK CoW below the level of drilling to date.

The KSK CoW is located in Central Kalimantan, Indonesia within the Central Kalimantan magmatic arc which hosts the Kelian (5.1M oz Au) and Mt Muro (2.2M oz Au) low-sulphidation gold deposits. Exploration to date has identified extensive copper porphyry style alteration and mineralization across the KSK CoW. Better drill results have included 167m @ 0.59% copper (from 4.5m) in porphyry style alteration mineralization at the Beruang Kanan prospect and 83m @ 2.6% copper, 61g/t silver and 0.22g/t gold (from 2.4m) drilled down dip in vein material at the Baroi prospect.

In January 2008 the Company commissioned Dr. Peter J. Pollard to review the exploration results and the copper potential of the KSK CoW. That report is posted in the Technical Report section on our web site at www.kalimantan.com.

Dr. Pollard has now also reviewed the results of the recent study and commented as follows: *"the focus of major mining companies has shifted to exploring for deeper porphyry copper systems such as those that potentially exist within the KSK CoW. Most recent discoveries have been made by exploring deep targets near known systems (e.g. Oyu Tolgoi, Resolution, Pebble West) or exploring beneath younger cover (e.g. Spence and Gaby Sur). The sophisticated geophysical modeling used in the recent inversion study focused on deep geophysical anomalies in areas of surface geochemical anomalies and showings of mineralization. In this sense the study did not find anything "new" but the results do reaffirm the potential for significant copper mineralization within the KSK CoW."*

Dr. Pollard further commented that: *"The 2007 exploration program on the KSK CoW by Oxiana was focused on finding near-surface deposits by drilling shallow holes and they were not going after bigger picture targets. This study confirms that the KSK CoW has a lot of "untested potential" and Kalimantan Gold needs to bring in a partner with an excellent understanding of porphyry copper exploration to properly test the identified targets"*

One priority target identified from the new study is a deeper target at the Mansur prospect where a previous drill hole, displaying strong porphyry alteration, appears to have fallen short of intercepting the top of a large magnetic body with a diameter of around 800 meters and vertical depth of 1,000 meters (see the attached 3D image). The reprocessed information provides an excellent tool for defining a program of deeper drill holes at Mansur and elsewhere on the KSK CoW.

Kalimantan Gold is actively showing the KSK CoW to a number of interested large mining companies. Testing the deeper levels of the Beruang and Mansur prospects are top priorities (5000m of drilling), while at the same time exploring the high priority porphyry target in the northern KSK CoW area.

Contract of Work Tenure

The KSK CoW is a 6th generation Contract of Work ("KSK CoW") that is now 100% held by Kalimantan Gold and is in good standing with two full years of exploration remaining on the "exploration clock". There are very few undeveloped CoW's remaining in Indonesia with such favourable conditions. There is some forestry issues over parts of the KSK CoW that will need to be addressed as part of any mining development, but Kalimantan Gold have developed an excellent relationship with the local government and community over many years of responsibly exploring in Kalimantan.

Technical Background:

Work by the Company and others have confirmed porphyry Copper-Gold-Molybdenum style mineralization and alteration at the Mansur and Beruang prospects and a high sulphidation system at Beruang Kanan. These are three of more than eight main targets identified for follow-up exploration within the KSK CoW. Grid soil samples have defined numerous copper anomalies at the Beruang prospects and at Mansur. The copper minerals, chalcopyrite, covellite and minor malachite are present as disseminations and within fracture fillings of quartz stockwork and sheeted veins. The recent inversion reprocessing of the geophysical data over the KSK CoW shows numerous magnetic anomalies coincident with copper in soil, rock chip and stream sediment anomalies. Although some of the magnetic anomalies are deep seated, they are still attractive targets given their potential size and shape.

High-sulphidation alteration and copper mineralization at the Beruang Kanan prospect are localized by structurally controlled breccia/shear zones within steeply dipping dacitic and andesitic volcanics and volcanoclastics. Surface sampling has defined a 1,100m long by 400-600m wide zone of >0.1% copper and broad spaced drilling has delineated copper mineralization to a depth of about 200m.

Although the geology, structural evolution and the hydrothermal processes at both porphyry prospects are not well understood, the interpreted data supports the possibility that the magnetic bodies may represent significant copper deposits as their locations are coincident with surface geochemistry, geology and previous drilling results.

All data, as disclosed in this press release, have been verified by the Company's Qualified Person for the KSK CoW project, Dr. Peter Pollard.

About Kalimantan Gold

Kalimantan Gold is a junior exploration company listed on both the TSX Venture Exchange in Canada and on the London AIM market. The Company is active in Indonesia where it has three areas of interest: the Jelai epithermal gold prospect in East Kalimantan; coal opportunities, also in East Kalimantan and a Contract of Work in Central Kalimantan with multiple porphyry copper and gold prospects.

The Company's immediate focus is negotiating off-take agreements for its coal opportunities as these are nearest to producing cash flow. Indonesia is a major coal producer and coal is a leading energy source, producing 80% of electricity in both China and India. KLG is also currently examining ways of bringing its Jelai gold prospect into early stage production.

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3D image of the Mansur prospect, one previous drill hole displaying strong porphyry alteration came close to intercepting the top of a magnetic body whose diameter is 800 meters and vertical depth 1,000 meters.

