

Chaarat Gold Holdings Ltd

Road Town, Tortola, British Virgin Islands (16th June 2008).

Scoping Study Indicates the Economic Viability of the Chaarat Gold Project

Chaarat Gold Holdings Ltd (AIM-CGH) (“Chaarat” or “the Company”) is pleased to announce the positive results of the Scoping Study on its 100% owned Chaarat Project in the Kyrgyz Republic.

Highlights

- Average annual gold production of 235,000 oz per annum over the first 5 years with 210,000 oz per annum over the life of mine.
- Cash cost of gold production, including all revenue related taxes, but not including credits from silver and antimony, of \$445/oz during the first 5 years and \$470/oz over the life of mine.
- Silver and antimony credits may reduce the cash cost per ounce of gold to \$359/oz over the first 5 years and \$378/oz over the life of mine.
- Project NPV of \$158 million assuming a 10% discount rate and a gold price of \$750/oz.
- Project IRR of 20.3%.
- The study predicts that additional optimization is likely thereby increasing the IRR to at least 30% whilst reducing the cash cost.
- The required investment in the Project amounts to \$320 million, including \$21 million of working capital.
- The study identifies significant potential for a second-phase expansion of a similar magnitude.

A comprehensive Scoping Study has been undertaken by Behre Dolbear International Ltd, a wholly owned subsidiary of Behre Dolbear and Company Inc, ("BDI"). The study indicates that the Chaarat deposit has the potential to become an economic mine producing in excess of 210,000 ounces per year at a cash cost of approximately \$380 per ounce. The capital development cost was estimated at approximately \$320 million. Applying a long-term gold price of \$750 per ounce and a discount rate of 10% the project would have an estimated Net Present Value (NPV) of \$158 million and an Internal Rate of Return (IRR) of 20.3%. The higher production rate and lower cash costs over the first 5 years are based on specific production schedules taking into account early extraction of higher grade areas within the mineralized body.

The Scoping Study reviewed all the relevant aspects for mine development including infrastructure, resources estimation, mining methods, metallurgical processing, technical feasibility, environmental aspects and tailings storage and disposal; and concluded that the project is technically feasible and economically viable.

The Scoping Study was based on an estimated resource of 22.1 million tonnes of ore at a gold grade of 4.41 grams per tonne (g/t) using a 1.8 g/t Au cut-off. The mining methodology proposed is conventional long-hole open-stopping with backfilling. The study assumed 13% mining dilution and 95% process recovery based on repeated tests conducted by RDI as described in the

Company Press release of the 11th February 2008. The process technology proposed by BDI is proven and in common use.

The Kyrgyz Republic has a long mining history and therefore trained personnel are available hence BDI does not foresee a problem regarding the availability of managerial staff, skilled operators or labour. The project would therefore contribute significantly to the employment opportunities in the region.

It is proposed that electrical power will be supplied from the regional grid. Alternatively, the Company has identified a number of locations suitable for run-of-river, owner-operated, hydroelectric plants, which would be backed up by diesel/heavy fuel oil fired generators.

The project's capital cost estimate includes all mine establishment costs, connection to the national grid, major and minor roads, accommodation, stores and workshop facilities for the contractors, owners, operators and maintenance personnel.

Summary of Scoping Study results

	Unit	Average years 2-5	Average years 2-10
Tonnes mined	t	1,814,396	1,814,396
Mill grade	g/t	4.27	3.98
Process Recovery	%	94.4%	94.7%
Ounces produced annually	oz	234,751	219,787
Operating costs mining	\$/t	25	25
Operating costs processing	\$/t	18	18
Operating costs G&A	\$/t	5	5
Total operating costs	\$/t	48	48
Operating cash cost per ounce	\$/oz	373	397
Revenue related taxes	\$/oz	54	54
Refining and shipping	\$/oz	19	19
Total cash cost per ounce	\$/oz	445	470
Credit from Silver @ \$16 /oz	\$/oz	30	32
Credit from Antimony @ \$2.60/lb *	\$/oz	57	61
Net cash cost per ounce	\$/oz	359	378

* Recovery of Sb is currently an estimate as testwork confirming the actual recovery is ongoing.

Dekel Golan - CEO comments; “We are extremely encouraged by the positive results of the study, which indicates the economic viability of the Chaarat project with a healthy cash cost of \$420 per ounce of gold, a NPV of \$158 million and a respectable IRR of 20.3%. We share the expressed belief of Behre Dolbear that further optimisation of the mining schedule will improve the economics of the mine as well as their opinion that there is potential for the discovery of similar deposits in the vicinity of the Chaarat deposit and at other as yet untested regional exploration targets within the licence area.

We are confident that the initial annual production level of 235,000 ounces can be maintained as our ongoing exploration work aims to prove up additional gold resources in higher grade areas, which will have a beneficial impact on the project's economics.

Our immediate priority is to complete the Pre-Feasibility Study in order to maintain our momentum towards our production target of 2012".

Based on the positive results of the study, the Company plans to proceed to a Pre-Feasibility Study, with a target completion date of the end of the first half of 2009.

Competent Persons

Richard James Fletcher is qualified to act as a "competent person" as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and accepts responsibility for the information on Exploration Results and Mineral Resources in the Scoping Study. Behre Dolbear affirms that Mr Fletcher :-

- has more than 10 years experience in the former Soviet Union region,
- is a Fellow of the Australasian Institute of Mining and Metallurgy,
- has more than 40 years experience in the estimation, assessment and evaluation of mineral resources and ore reserves that is relevant to the styles of mineralisation and the types of deposits under consideration.

Mr Brian Spratley is qualified to act as a "competent person" as defined by the UK's Institute of Materials, Minerals and Mining for reporting on mine planning, mine design, mine economics and mine organisation for underground and open pit mines. Behre Dolbear affirms that Mr Spratley:-

- has more than 10 years experience in the former Soviet Union Region,
- is a Member of Institute of Materials, Minerals and Mining,
- has more than 35 years experience in the assessment of operations, development, and implementation of precious and base metals mining projects.

About the Chaarat Gold Project

The Chaarat project is situated within the Middle Tien Shan Mountains of Kyrgyzstan which form part of the Tien Shan gold belt. The Company has delineated indicated resources of 15.4 million tonnes at 4.45 g/t gold (2.202 million ounces) and additional inferred resources of 6.7 million tonnes at a grade of 4.41 g/t gold (933,000 ounces). The Company's ongoing exploration programme employing 6 drill rigs is aimed at increasing the confidence levels in the project through infill drilling and increasing the known resources to four million ounces through down-dip and along-strike extension drilling in the ten kilometre strike length of the Chaarat deposit. In addition, the company intends to explore the remaining gold occurrences in the other twenty eight kilometres of strike length within the Chaarat Licence Area.

About Chaarat Gold Holdings

Chaarat is an exploration company founded for the purpose of developing the Chaarat License Area. Chaarat was admitted to AIM on 8 November 2007. The Company has 71.9 million shares issued (78.4 fully diluted).

Disclaimer

This press release includes forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Chaarat's control that would cause the actual results, performance or

achievements of Chaarat to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Chaarat's present and future business strategies and the environment in which Chaarat will operate in the future. Any forward-looking statements speak only as at the date of this document. Chaarat expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in Chaarat's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this press release may not occur either partially or at all.

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