

PATAGONIA GOLD PLC

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DRILLING UPDATE CAP-OESTE GOLD-SILVER PROJECT SANTA CRUZ PROVINCE, ARGENTINA

Highlights:

- Drilling on the main shoot of the Bonanza fault deposit continues to intersect high grade gold and silver, including 13.20 metres @ 14.54 grams per tonne (g/t) gold and 186 g/t silver in drill-hole CO-119. The deposit remains open at depth and along strike in both directions.

Results not previously reported include:

Hole No.	From	Interval	Grade	Grade
	metres	metres	Au g/t	Ag g/t
CO-117-DR	110.50	7.30	3.54	31
including	110.50	2.50	7.49	38
CO-119-DR	258.00	13.20	14.54	186
including	261.00	2.00	40.32	400
including	268.00	1.00	35.54	764
CO-123-DR	257.90	16.10	5.86	260
including	269.57	3.53	14.02	629
CO-125-DR	278.00	10.00	5.29	860
including	280.50	2.08	18.97	3,990
CO-126-DR	283.00	32.00	2.53	20
CO-127-DR	234.50	13.00	5.40	853
including	244.60	2.90	16.37	2,695

El Tranquilo Property:

The El Tranquilo property block, 100% owned by PGD, covering over 40 square kilometres, contains the **Cap-Oeste Gold and Silver Project** as well as the Breccia Valentina and Vetas Norte Prospects.

The property is located approximately 120km to the south east of the La Paloma property block containing the Lomada de Leiva Project on which a Resource estimate and a positive Scoping Study have already been announced this year by PGD.

Cap-Oeste Gold and Silver Project:

The initial drill programme on Cap-Oeste, completed in May 2008, established a Canadian National Instrument 43-101 compliant resource of 304,099 ounces of gold and 6,929,825 ounces of silver with just 11,328 metres of drilling.

PGD commenced a second drilling campaign in October 2008 with the aim of substantially increasing the resource, concentrating on the high grade shoot 'A' (averaging 13.17g/t gold and 228g/t silver). To date 38 holes for a total of approximately 7,700 metres have been completed in the second programme. Results are pending for 5 drill holes.

Drilling has confirmed the mineralization to a vertical depth of >250 metres in drill-hole CO-126. The Bonanza fault deposit remains open at depth and along strike in both directions.

Marc Sale, (BSC. Geology, Fellow AusIMM, member AIG) a Director and consultant to Patagonia Gold Plc and a qualified person as defined in National Instrument 43-101, has reviewed and verified all scientific or technical mining disclosure contained in this press release.

ENDS

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