

FOR IMMEDIATE RELEASE

**LUNA GOLD INTERCEPTS 63.80 m of 2.54 g/t Au and 6.50 m of 15.82 g/t Au
AT THE AURIZONA GOLD PROJECT, BRAZIL**

Vancouver, January 10, 2008 – Luna Gold Corp. (TSXV-LGC) (“Luna” or the “Company”) is pleased to announce new assay results from the Company’s 4,000 m drill program at Piaba, the main mineralized zone at Aurizona, including hole BRAZD-214 which intercepted 63.80 m of 2.54 g/t Au and ended in mineralization.

- **6.50 metres @ 15.82 g/t Au, including 3.00 metres @ 33.32 g/t Au, in hole BRAZD-217**
- **63.80 metres @ 2.54 g/t Au in hole BRAZD-214**
- **54.15 metres @ 1.17 g/t Au in hole BRAZD-213**
- **0.48 m @ 1159.00 g/t Au in hole BRAZD-218**
- **50.75 m @ 1.76 g/t Au in hole BRAZD-223**

Luna’s CEO, Tim Searcy, comments, “The drilling program continues to be a success as we encounter gold mineralization in the lateral extremities of the deposit, and continue to confirm and expand the mineralization in the weathered zones. However, it is the positive results from the bedrock of the central portion of Piaba that underscore the potential for depth expansion at Aurizona. Orogenic gold deposits, like Aurizona, typically have good vertical depth continuity. Despite this fact, only 5% of the 300 diamond and percussion holes drilled on the Aurizona project by past operators, have a vertical extent greater than 130 meters. While the systematic testing of the bedrock was not the intention of this drill program, we have modified the program to include a hole to test the down dip extension of the mineralization encountered in BRAZD 212 (see the press release dated November 21st, 2007).”

Complete assay results have been received for a further 11 holes totaling 1,430 metres drilled within the 2.4 km long corridor of the Piaba deposit. All the drill holes intersected gold mineralization and three holes ended in mineralization. Significant mineralized intercepts are tabulated below and some cross sections will follow shortly.

HOLE ID	AZI	DIP	TOTAL DEPTH (m)	FROM (m)	TO (m)	INT (m)	Au (g/t)
BRAZD-213*	350	70	172.15	118.00	172.15	54.15	1.17
<i>including</i>				125.00	130.00	5.00	3.11
<i>and</i>				138.50	141.00	2.50	4.88
BRAZD-214*	340	60	145.80	82.00	145.80	63.80	2.54
<i>including</i>				116.00	118.15	2.15	46.87
BRAZD-215	160	60	123.65	62.00	87.45	25.45	1.03
BRAZD-216	340	65	114.70	29.00	33.00	4.00	2.91
				101.00	108.00	7.00	1.09
BRAZD-217	340	60	130.40	14.50	21.00	6.50	15.82
<i>including</i>				17.00	20.00	3.00	33.32
<i>and</i>				40.00	47.00	7.00	1.12
				73.00	74.33	1.33	9.61
				86.00	89.00	3.00	1.75
				106.50	115.00	8.50	1.14
BRAZD-218	160	50	120.10	58.00	58.90	0.90	22.33
				58.90	59.38	0.48	1159.00
				59.38	65.80	6.42	1.06
				69.00	75.50	6.50	2.09
				88.50	90.50	2.00	3.04
BRAZD-219	160	50	116.00	85.20	92.75	7.55	2.44
BRAZD-220	160	50	130.00	64.00	67.00	3.00	7.37
BRAZD-221	340	55	120.60	64.70	71.00	6.30	0.93
				95.00	105.00	10.00	1.45
BRAZD-222	168	60	104.40	62.65	69.75	7.10	2.25
BRAZD-223*	348	50	151.45	37.60	40.00	2.40	3.51
				54.00	57.00	3.00	4.23
				89.25	140.00	50.75	1.76
				149.20	151.45	2.25	5.22

* - ended in mineralization

Table1. Mineralized intercepts from initial drill holes, Piaba deposit. Width in the table represents core width of the intersections, and does not represent the true width.

(To view the plan map showing the drill hole locations please click on:

http://www.lunagold.com/i/pdf/Luna_Gold_Piaba_Deposit_Drill_Plan_Map_Jan_10.pdf)To

view assays for the full length of each hole please go to www.lunagold.com)

Eight of the drill holes were sited to test the eastern and western extensions of the Piaba deposit to provide the Company with parameters to enable definition of the economic boundaries to the open pit. Historic drilling has indicated that mineralization in these areas is less well developed than in the centre of Piaba. Despite this, several drill holes returned significant gold intercepts including BRAZD-217 which returned 6.50 m @ 15.82 g/t Au and BRAZD-218 which returned a bonanza grade intercept of 0.48 m @ 1159.00 g/t Au. These results will be followed-up with infill drilling at a future date.

BRAZD-213 was drilled in the east-centre portion of Piaba and returned 54.15 m @ 1.17 g/t Au. BRAZD-214 and 223 were drilled in the west-centre, approximately 450 m west of where holes BRAZD-206, 207 and 212 were drilled. BRAZD-214 was sited to twin and extend historic drill hole BRAZD-30 which intersected 12.16 m @ 3.23 g/t from 76.08 m to 88.24 m and ended in mineralization due to poor ground conditions. BRAZD-214 intersected 63.80 m @ 2.54 g/t Au from 82.00 m depth including a high-grade fresh rock intercept of 2.15 m @ 46.87 g/t Au and ended in mineralization demonstrating the

existence of high-grade gold mineralization at depth in this portion of Piaba. BRAZD-223 was sited 60 m west of BRAZD-214 and intersected 50.75 m @ 1.76 g/t spanning the contact between oxide and fresh rock mineralization and also ended in high-grade gold mineralization (2.25 m @ 5.22 g/t Au from 149.20 to end of hole).

Luna's Exploration Manager, Dr. Titus Haggan states "We are pleased to report, with approximately two thirds of the results from Piaba returned, that the program objectives, as stated in the press release of October 31, 2007, have been met. The latest results have returned significant gold values from the eastern and western extensions of Piaba. Broad zones of oxide mineralization have also been intersected. The wide zone of fresh rock gold mineralization intersected in BRAZD-212 (press release of November 21, 2007) coupled with the new results highlight the potential for further fresh rock mineralization in the central portion of the Piaba deposit."

As part of the ongoing Feasibility Study at Aurizona, a NI 43-101 The Piaba pre-feasibility study and NI 43-101 reserve and resource estimate is due to commence on January 15th. Gemcom and SRK have been retained for this work which will be conducted in association with Luna's technical team at Aurizona. One drill is currently testing the Tatajuba target located 1.8 km along trend to the west of Piaba. Results are pending for the remaining drill holes at Piaba and will be reported as they become available.

Correction

The press release dated November 21st, 2007 indicated that the dip of hole BRAZD 212 was 50°, that is incorrect. Hole BRAZD 212 was drilled at a dip of 65°.

Quality Assurance/Quality Control

Luna operates a rigorous QA/QC protocol on all aspects of sampling and analytical procedure. Drill core is checked, logged, marked for sampling and sawn in half. One half of the HTW (71 mm diameter) core is maintained for future reference and one half of the core is sent for analysis. Samples are collected in approximately 1 meter intervals or less when a mineralized zone is encountered. All core and samples are stored in secure locked areas. Samples are transported from the Aurizona project to the ACME Lab sample preparation facility in Maraba, Para accompanied by Luna personnel. Samples are assayed at ACME Labs in Vancouver, Canada using a 30 gram fire assay with ICP-MS finish. Each sample batch contains 10% of randomly inserted internal control samples consisting of certified analytical standards, blanks (barren rock) and duplicates. These QA/QC procedures provide several measures of data quality and assure the Company that the assay data is representative of the original sample.

Titus Haggan Ph.D., EurGeol Certified Professional Geologist #746, Luna's Brazil Exploration Manager is the Qualified Person as defined under National Instrument 43-101 responsible for the scientific and technical work on the exploration program and has reviewed the technical disclosure in this press release.

About Luna Gold Corp

Luna is a mining exploration company focused on the acquisition, exploration, and development of gold resources and advanced stage gold exploration projects in northeastern Brazil.

On behalf of the Board of Directors

LUNA GOLD CORP.

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