



News Release

For Immediate Release

Date: 29 January 2010

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QUARTERLY GOLD PRODUCTION AND TRADING UPDATE

Period ¹		3 months ended 31 Dec 2009	9 months ended 31 Dec 2009	9 months ended 31 Dec 2008	Year ended 31 Dec 2009	Year ended 31 Mar 2009
Gold production	(Oz)	25,877	82,174	82,544	109,548	109,919
Average realised gold price	(US\$/oz)	1,103	995	855	975	870
Average cash cost	(US\$/oz)	766	650	600	639	602

- **Gold production of 25,877 ounces in the quarter ended 31 December 2009**
- **Production of 82,174 ounces for the nine months ended 31 December 2009, at a cash cost of US\$650/oz**
- **First gold pour at Inata on 20 December 2009**
- **Inata production of approximately 3,200 ounces in January as start of ramp up - production expected to increase to over 10,000 ounces per month by July 2010**

Jonathan Henry, Chief Executive Officer, commented:

“The Inata ramp up is progressing well and we remain focused on reaching design capacity in a timely and sustainable manner. The last quarter was challenging for Penjom and North Lanut but both continued to generate cash margins in excess of US\$300/oz, helping to underpin commissioning costs of our new mine in West Africa and further work on our exploration and development portfolio in both regions.”

¹ On 28 October the Company announced that it would change its year end from March to December with effect from 31 December 2009

Avocet Mining PLC (“Avocet” or “the Company”) today provides a trading update in advance of its audited preliminary results for the nine months ended 31 December 2009, which will be released on 17 March 2010.

Trading overview

Gold production for the quarter was 25,877 ounces from the Company’s operations at Penjom in Malaysia and North Lanut in Indonesia. All gold sales were into the spot market during the quarter with an average realised price of US\$1,103/oz. Total cash costs in the quarter were US\$766/oz compared with US\$595/oz in the previous quarter, with the increase accounted for equally by lower production and higher costs.

For the nine months ended 31 December 2009, gold production totaled 82,174 ounces, in line with the guidance given in November at the time of the Company’s interim results announcement. Total cash costs of US\$650/oz were slightly above expectations as mining and plant costs were higher than expected at Penjom and North Lanut for the last quarter.

The appendix to this announcement sets out key operating statistics including production and cash costs by quarter for both Penjom and North Lanut.

Inata, Burkina Faso

Following the first gold pour at Inata on 20 December 2009, commissioning and ramp up of the plant has continued with progress currently ahead of schedule. The planned ramp up was for gold production of 2,500 ounces in February 2010, with increases averaging 1,500 per month thereafter, and production of over 10,000 ounces per month from July 2010. Steady increases are being achieved in mill throughput and preliminary estimates indicate gold recoveries are better than forecast. Further gold pours have occurred since the first pour and total gold production to date is approximately 3,200 ounces.

Penjom, Malaysia

Penjom produced approximately 5,300 ounces of gold in each of November and December and 3,900 ounces in October. The lower production in October was due to a scheduled SAG mill liner change previously announced. Ore grades dipped to 2.95 g/t as mining in the quarter took place in areas of lower grade than in the previous quarters. Total gold production of 14,512 ounces in the quarter was therefore 12 per cent below the previous quarter. Total cash costs in the quarter were US\$11.8 million, nine per cent above the previous quarter of US\$10.8 million, due to a rise in mobile fleet maintenance costs. Together with lower gold production, this resulted in an increase in cash costs to US\$811/oz for the quarter.

For the nine months ended 31 December 2009, gold production totaled 46,577 ounces, slightly ahead of expectations. Excluding the impact of the SAG mill liner change shutdown, the quarter's production was broadly in line with the two previous quarters at a rate of approximately 5,000 ounces per month. The higher level of maintenance costs in the last quarter meant that cash costs for the nine month period were US\$710/oz compared with US\$586/oz in the corresponding period for 2008.

Gold production in 2010 is expected to continue at approximately 5,000 ounces per month.

North Lanut, Indonesia

North Lanut's gold production of 11,365 ounces in the quarter ended 31 December 2009 represented an eight per cent decrease from the previous quarter. Production was impacted by a dip in grades as the balance of mining in the quarter shifted from the Riska pit to the upper levels of the Rasik pit. Significant gains in ore tonnages from the upper benches of Rasik mean that mining of the deeper, higher grade material will now occur later in the second half of 2010.

Total cash costs in the quarter ended 31 December 2009 rose 29 per cent from the previous quarter to US\$8.1 million. The increase partly reflected higher costs associated with mining the additional ore encountered at Rasik. Together with the lower gold production, higher expenditure resulted in an increase in cash cost to US\$710/oz for the quarter.

For the nine months ended 31 December 2009, gold production totaled 35,597 ounces. Cash cost per ounce for the same period rose to US\$569/oz, nine per cent lower than in the corresponding period for 2008.

The ore gains encountered at Rasik mean that North Lanut's mine life is expected to be extended by up to 12 months. Gold production is now expected to average 3,500 ounces per month in the first half of 2010, as mining occurs in the upper benches of Rasik, and then to increase to 4,500 ounces per month in the second half as higher grades at depth are reached in Rasik.

Exploration

An assessment of the enlarged West African and South East Asian exploration portfolio is close to being finalised, with a view to determining the next steps on each prospect, including Doup and Seruyung in Indonesia. In West Africa, the Belahouro licences in Burkina Faso, incorporating the Souma Trend, will be a priority in view of its prospectivity and proximity to Inata.

Group Results

The Company will announce its preliminary financial results on 17 March 2010.

For further information please contact:

Avocet Mining PLC	Buchanan Communications	Ambrian Partners Limited	J.P. Morgan Cazenove	Arctic Securities	First Securities
	Financial PR Consultants	NOMAD and Joint Broker	Lead Broker	Financial Adviser	Financial Adviser
Jonathan Henry, CEO	Bobby Morse	Richard Brown	Michael Wentworth-Stanley	Arne Wenger	Stein Hansen
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Notes to Editors

Avocet Mining PLC (“Avocet” or “the Company”) is a mining company listed on the AIM market of the London Stock Exchange (Ticker: AVM). The Company’s principal activities are gold mining and exploration in Malaysia (as 100 per cent owner of the Penjom gold mine, the country’s largest gold producer), Indonesia (as 80 per cent owner of the North Lanut gold mine and Bakan project in North Sulawesi) and Burkina Faso (as 90 per cent owner of the Inata gold mine). The Company has a number of other advanced exploration projects in South East Asia and West Africa.

Background to operations

Penjom is Malaysia’s largest gold producer and was developed by Avocet after applying modern technology to grass roots exploration in an area of historic alluvial mining. The mine is located in Pahang State, approximately 120 km north of the country’s capital, Kuala Lumpur. The mine was commissioned in December 1996 with reserves of 223,000 ounces. Successful resource development means Penjom has produced over one million ounces of gold to date and still has nearly one million ounces of resource.

North Lanut in North Sulawesi, Indonesia, was developed by Avocet from the exploration stage and has produced over 270,000 ounces since it was commissioned in 2004. Avocet purchased an 80 per cent interest in PT Avocet Bolaang Mongondow, an Indonesian company holding a 6th generation Contract of Work (“CoW”), from Newmont Mining Corporation in 2002. North Lanut is located within the CoW, which includes exploration and mining rights over approximately 50,000 hectares in an area highly prospective for gold. An Indonesian company, PT Lebong Tandai, owns the remaining 20 per cent.

Inata in Burkina Faso, West Africa, has a resource of 1.7 million ounces and reserves of 944,000 ounces. Inata poured first gold in December 2009 and is currently commissioning to full production rates in excess of 10,000 ounces per month. Other assets include exploration licences in Burkina Faso, Guinea and Mali (the most advanced being the Tri-K gold exploration project in Guinea with a resource of 667,000 ounces).

Appendix – Key operating statistics by quarter

	Quarters ended						Quarters ended			
	Jun '08	Sep '08	Dec '08	Mar '09	Total	9 mths to Dec 08	Jun '09	Sep '09	Dec '09	
Penjom										
Ore mined (tonnes)	179,034	86,081	167,640	265,944	698,700	432,756	372,145	247,958	86,285	
Waste mined (tonnes)	4,146,508	4,113,678	4,123,096	4,556,004	16,939,285	12,383,281	4,396,358	4,165,516	4,124,764	
Ore and waste mined (tonnes)	4,325,542	4,199,759	4,290,736	4,821,948	17,637,985	12,816,037	4,768,503	4,413,474	4,211,049	
Ore processed (tonnes)	190,516	179,059	168,884	180,480	718,939	538,459	179,146	185,767	179,658	
Average ore head grade (g/t)	3.44	3.53	3.66	3.27	3.47	3.54	3.38	3.34	2.95	
Process recovery rate	89%	88%	82%	85%	86%	86%	80%	82%	85%	
Gold Produced (oz)	18,729	17,793	16,303	16,077	68,902	52,825	15,664	16,401	14,512	
Cash costs (US\$/oz)										
Mining	329	313	351	409	349	330	395	390	476	
Processing	155	168	174	175	167	165	170	168	215	
Royalties and overheads	92	95	82	107	94	90	104	102	120	
	576	576	607	691	610	586	669	660	811	
Deferred stripping adjustment	(95)	(156)	(94)	28	(82)	(116)	307	75	-	
	481	420	513	718	528	470	976	735	811	
Mining cost per tonne (US\$)	1.25	1.33	1.33	1.36	1.36	1.36	1.30	1.45	1.64	
North Lanut										
Ore mined (tonnes)	383,787	357,627	257,940	310,628	1,309,982	999,354	300,837	422,528	396,136	
Waste mined (tonnes)	220,408	305,008	371,166	698,570	1,595,152	896,582	457,032	554,861	579,875	
Ore and waste mined (tonnes)	604,195	662,635	629,106	1,009,198	2,905,134	1,895,936	757,869	977,389	976,011	
Ore processed (tonnes)	380,181	437,917	257,308	262,810	1,338,216	1,075,406	319,399	333,346	366,692	
Average ore head grade (g/t)	1.96	2.30	2.24	1.86	2.10	2.16	2.04	1.54	1.41	
Process recovery rate	39%	31%	56%	72%	45%	40%	57%	75%	68%	
Gold Produced (oz)	9,293	9,963	10,463	11,297	41,017	29,719	11,899	12,333	11,365	
Cash costs (US\$/oz)										
Mining	251	295	279	263	272	276	275	271	350	
Processing	198	229	173	112	175	200	125	123	188	
Royalties and overheads	152	137	165	113	141	152	101	113	172	
	601	661	617	488	588	627	501	507	710	
Total										
Gold Produced (oz)	28,022	27,756	26,766	27,374	109,919	82,544	27,563	28,734	25,877	
Cash costs (US\$/oz)										
Mining	303	307	323	349	320	311	343	339	420	
Processing	169	190	174	149	170	178	151	149	203	
Royalties and overheads	112	110	114	110	112	112	103	107	143	
	584	607	611	608	602	600	597	595	766	
Deferred stripping adjustment	(63)	(101)	(57)	16	(51)	(74)	174	43	-	
	521	506	554	624	551	526	771	638	766	