



Avocet Mining

News Release

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Approval of Oslo listing prospectus and Norwegian retail offering

Avocet Mining PLC (“Avocet” or the “Company”) announces that Finanstilsynet (the Financial Supervisory Authority of Norway or “FSA”) has approved the Company’s Oslo listing prospectus. The prospectus contains certain information not previously published by Avocet which is summarised further below. The prospectus is available on the Company’s website www.avocet.co.uk.

Approval of the prospectus by the Financial Supervisory Authority of Norway was one of two conditions set by the Oslo Bors when it granted its approval for Avocet to list on the Oslo Stock Exchange, as announced by the Company on 27 May 2010. The second condition set by the Oslo Bors was satisfying the minimum number of holders with interests in Avocet shares held directly in the Norwegian electronic security register (“VPS Registered Shares”). The requirement for being listed on the main board of Oslo Stock Exchange is for 500 such holders, each with lots with a value of NOK 10,000 or more. In order to meet this requirement, the Company also announces a retail public offering (“Retail Offer”) of up to 2,000,000 ordinary shares in the Company to investors resident in Norway. Conditional on completion of the Retail Offer, the Company will subsequently list the fully diluted share capital of Avocet on the Oslo Børs (“Listing”).

Details of the Listing and the Retail Offer are as follows:

- The Retail Offer will be directed solely at and capable of acceptance solely by residents of Norway. The Retail Offer will not be directed to other retail or institutional investors resident in any other jurisdiction, including in particular, the UK, US, Canada, Japan, Australia and the Republic of Ireland (each a “Restricted Jurisdiction”).
- The minimum subscription is 1,000 new shares and the maximum subscription is 2,500 new shares.
- The subscription period is from and including 3 June 2010 to 17:30 CET on 10 June 2010;
- The subscription price will be at a 10% discount to the Company’s volume weighted average share price on AIM on the final day of the subscription period, at the European Central Bank official exchange rate between the Pound Sterling and Norwegian Kroner;

- The completion of the Retail Offer is subject to the Company's satisfaction that it will meet the conditions for the Listing as determined by the Board of Oslo Børs, including the requirement in relation to achieving a sufficient number of shareholders holding VPS Registered Shares.
- The subscribers of the new shares will have full shareholders' rights in respect of their new shares once such shares are credited to their VPS account. The new shares will be registered in CREST and as depositary receipts in VPS, through the Custodian Arrangement, under ISIN number GB0000663038.
- All new shares issued in the Retail Offer will be subject to a transferability restriction such that the interest in those new shares must remain registered in VPS until the first anniversary of the Listing. The restriction will be recorded as an encumbrance on the depositary receipts in VPS. Until the restriction expires it will not be possible to settle any transfer of the new shares in CREST, and consequently the depositary receipts representing the new shares may be traded on Oslo Børs but the underlying shares may not be traded on the London Stock Exchange during the restriction period.
- the managers of the offering are Arctic Securities ASA and First Securities AS, while Netfonds Bank ASA is the selling agent;

Assuming that the Retail Offer is successfully completed, the Listing and first day of trading on the Oslo Bors are expected to occur on or about 16 June 2010.

Eligible investors, who must be resident in Norway and not in a Restricted Jurisdiction, will be able to subscribe in the Retail Offer using the application form appended to the prospectus, or through the internet sites of the managers and sales agent. The prospectus is also available in hard copy free of charge at the business offices of Arctic Securities ASA, First Securities AS and Netfonds Bank ASA as well as on the following web sites:

- www.arcticsec.no
- www.first.no
- www.netfonds.no

The prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Company's ordinary shares to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such ordinary shares by any person other than residents of Norway and the prospectus is not for distribution in or into a Restricted Jurisdiction.

The Company's ordinary shares have not been and will not be registered under the US Securities Act or the applicable securities laws of any Restricted Jurisdiction and may not be offered or sold within a Restricted Jurisdiction or to, or for the account or benefit of, citizens or residents of a Restricted Jurisdiction.

New Information Disclosed in the Prospectus

The prospectus has been prepared by Avocet to conform with the rules of the Oslo Stock Exchange, and the requirements of the Norwegian Securities Trading Act, which incorporate the disclosures required by the EU Prospectus Directive. As a result the prospectus provides new disclosure presented as at 3 June in respect of, inter alia, the following:

Strategy

Management's immediate priority is the successful ramp up to steady state at Inata. Resource development at Penjom and North Lanut is also an important part of the Company's growth strategy, recognising the potential at both operations and the lower risk attached to expanding existing operations. The permitting and development of Bakan, and the evaluation of the Doup and Seruyung gold deposits in Indonesia, and the Tri-K group of licences in Guinea, are the Company's next phase of potential gold mines and will be an area of focus over the next three years. For new projects, priority is given to those capable of producing over 100,000 ounces per annum and to those with potential to contain reserves of at least one million or more ounces. Such mines may come from internal development as well as through acquisition. In the short term, new mines may come through acquisition. Acquisitions will only be considered where there is a clear and compelling case for increased long-term shareholder value

Competent Persons Report

A Competent Person Technical report ("CPR") of the Company's reserves and resources has been completed by CSA Global Pty Limited in connection with the Listing application. An executive summary of the CPR can be found in Appendix 4 to the prospectus, and the CPR itself is available for review on the Company's website www.avocet.co.uk.

Capitalisation, Indebtedness and Working Capital

The prospectus discloses a table showing net financial indebtedness as at 31 March 2010 of US \$54.3m and a confirmation that the Board of Avocet believes that the Company's working capital is sufficient for its present requirements that is for a period of 12 months from the date of listing on the Oslo Bors.

Pro forma financial information

Illustrative pro forma financial information is included in the prospectus to show the results of Avocet Mining and Wega Mining as if they had been operating as a single consolidated group throughout the nine months ended 31 December 2009. The pro forma financial statements have been prepared on the

assumption that Avocet Mining acquired Wega Mining on 1 April 2009 and are for illustrative purposes only in respect of past periods.

Significant change

A royalty is paid to the Burkina Faso government every time gold is sold and this is currently fixed at 3% of the value of the turnover of the extracted and sold gold. Gold produced from Inata is also subject to a 2.5% commercial royalty payable to International Royalty Corporation. As of the date of the prospectus, the Company has been made aware of a government proposal in Burkina Faso to increase the royalty on gold production from 3% to 5%. This proposal has met with resistance from mining companies and as at the date of the prospectus, negotiations are ongoing with government bodies to prevent the increase from becoming law.

Mandatory Bids

The prospectus expands on the information given below in “Notes to Shareholders” and provides some detail in respect of the regulation to which Avocet would be exposed and to which it would have to comply if it were to be approached in respects of an offer for its shares.

Risk factors

The prospectus updates risk factors previously outlined in the takeover documents for Wega Mining and more generally regarding the operations and financial condition of Avocet. Investing in the ordinary shares of Avocet involves inherent risks and prospective investors should, inter alia, consider the risk factors set out therein in addition to the other information presented in this Prospectus. If any of the risks actually materialise, the Company’s business, financial position and operating results could be materially and adversely affected.

This information is subject of the disclosure requirements according to §5-12 of the Norwegian Securities Trading Act.

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
Brett Richards, Interim CEO	Bobby Morse	Richard Brown	Michael Wentworth-Stanley	Arne Wenger	Stein Hansen
Mike Norris, FD	Katharine Sutton	Richard Greenfield	Anish Patel	Kim Galtung	Eirik Lilledahl
Hans-Arne L'orange, EVP Business Development & Investor Relations				Døsvig	
+44 20 7766 7676	+44 20 7466 5000 +44 7802 875227	+44 20 7634 4700	+44 20 7588 2828	+47 21013100	+47 2323 8000
www.avocet.co.uk	www.buchanan.uk.com	www.ambrian.com	www.jpmcazenove.com	www.arcticsec.no	www.first.no

Notes to Shareholders

Current shareholders should be aware that the OSE is a regulated market for UK tax purposes, and Avocet shares will therefore no longer be considered as “unquoted” within the UK tax regime from the date of listing. One likely consequence is that Avocet shares will no longer qualify for UK Inheritance Tax Business Property Relief. However, it is possible that Avocet shares will qualify for inclusion in certain UK tax-efficient savings structures, such as ISAs from the date of listing.

As a “host” exchange, the OSE will require Avocet to comply with its continuing Disclosure regime (which is largely equivalent to that on AIM). The regulation of a take-over situation will be “split” between Norway and the UK. Issues relating to the securities law aspects of the offer (including offer price, offer period, offer procedure, information on the bidder’s decision to make a bid, the content of the offer document, the publication of the bid) will be subject to Norwegian regulation, but issues relating to the company law aspects of the offer (including information to be provided to employees and thresholds that trigger the offer) will be subject to UK regulation.

Please note that neither Avocet nor its advisors are able to offer tax, legal, accounting or other professional advice. Shareholders unsure of their position in respect of tax or other financial aspects should consult their own professional advisers.

Notes to Editors

Avocet Mining PLC (“Avocet” or “the Company”) is a gold mining company listed on the AIM of the London Stock Exchange (Ticker: AVM). On 27 April 2010 the Company announced that it had submitted an application for listing on the Oslo Stock Exchange and now expects to list in the second half of June 2010. The Company’s principal activities are gold mining and exploration in Burkina Faso (as 90 per cent owner of the Inata gold mine), Malaysia (as 100 per cent owner of the Penjom gold mine, the country’s largest gold producer) and Indonesia (as 80 per cent owner of the North Lanut gold mine and Bakan project in North Sulawesi).

The Company recently announced that it had initiated exploration within the Inata Mining License area and in the surrounding Belahouro district with the objective of significantly increasing Inata’s resource and reserve base as well as investigating the highly prospective Souma Trend. The Company has a number of other advanced exploration projects in West Africa and South East Asia.

Background to operations

Inata has a resource of 1.7 million ounces and reserves of 932,000 ounces. Inata poured first gold in December 2009 and is currently ramping up to full production rates in excess of 10,000 ounces per month. Other assets in West Africa 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 666,500 ounces).

Penjom is Malaysia's largest gold mine 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.

North Lanut in North Sulawesi, Indonesia, was developed by Avocet from the exploration stage and has produced over 300,000 ounces since it was commissioned in 2004. North Lanut is located within a Contract of Work which includes exploration and mining rights over approximately 50,000 hectares in an area highly prospective for gold. Avocet holds an 80 per cent interest and an Indonesian company, PT Lebong Tandai, owns the remaining 20 per cent.

Competent Person Statement

All references to Mineral Resources and exploration results have been reviewed and approved for release by Mr Peter Flindell, BSc (Hons) MAusIMM, Executive Vice President - Exploration for Avocet, who has more than 20 years experience in the field of activity concerned. Mr Flindell is a Competent Person as defined by the JORC Code (2004) and a Qualified Person as defined by National Instrument 43-101. He has consented to the inclusion of the technical information in this announcement in the form and context in which it appears.