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News Release

For Immediate Release

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Q3 GOLD PRODUCTION -
CONTINUING OPERATIONS UP 15%, CASH COSTS DOWN BY 21%

Avocet Mining PLC ("Avocet" or "the Company") announces third quarter gold production to December 2007 from the Company's continuing operations at Penjom in Malaysia and North Lanut in Indonesia of 39,248 ounces. This is up 15% compared with 34,177 ounces for the corresponding period last year at a cash cost of US$276/oz, 21% down from last year's US$351/oz.

Reported production for the same period last year was 42,700 ounces at US$432/oz which included 8,523 ounces from the ZGC mine disposed on 9 July 2007.

North Lanut continued to benefit from the operating efficiencies and significantly higher grades reported at the half year, with Q3 production up 87% from the prior year at 20,995 ounces. Q3 cash costs of US$276/oz were 29% lower than the same period last year. Higher production more than compensated for steep rises in diesel and reagent costs as well as an increase in lime usage required to control pH while processing a higher proportion of transitional ore.

At Penjom, total tonnes mined in the quarter of 4.6 million were 41% above the same period last year, reflecting the ramp up of the pit expansion initiated this year and the new mining fleet becoming fully operational. Gold production of 18,253 ounces was 21% lower than last year due to the lower grade of ore treated. Commissioning of the plant expansion should be complete in February 2008 allowing for the treatment of 25% more ore going forward. Following another successful drilling campaign at Penjom, a revised resource and reserve estimate will be published prior to the end of the current financial year.

Penjom's unit cash operating cost for the quarter fell from US$333/oz to US$275/oz, after adjustment for deferred stripping. Mining concentrated on waste stripping which resulted in a waste:ore stripping ratio of 81:1 for the quarter, compared with 33:1 in the same period last year and the current life of mine average of 23:1. As a consequence of the current stage of the mine's expansion, excess stripping costs of US$3.4 million were deferred in Q3, equivalent to US$186/oz. If deferred stripping cost accounting had been applied in FY2007, prior to the pit expansion, the Q3 FY2007 cash cost would have been US$276/oz, in line with the Q3 FY2008 reported figure of US$275/oz despite significantly lower volumes mined last year. Importantly, unit mining costs decreased 22% from the same period last year to just over US$1/tonne as operational efficiencies more than offset significant increases in consumable costs and the increased royalty, based on 7% of revenue, a consequence of the higher gold prices received.

Appendix 1 sets out Penjom's waste and ore volumes and mining cost per tonne for each year, as well as the calculation of stripping costs deferred in Q3. Appendix 2 sets out production and cash costs by quarter for this year and the prior year for both Penjom and North Lanut.

Jonathan Henry, Chief Executive Officer, commented:

"In the current inflationary environment it is especially pleasing to be able to report continuing cost reductions which firmly place Avocet in the lowest quartile of global gold producers. Meanwhile the strong gold price has improved margins and our operations continue to generate significant cash that we are investing in our portfolio of production, development and exploration assets."

For further information please contact:

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Notes to Editors

Avocet 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% owner of the Penjom mine, the country's largest gold producer), and Indonesia (as 80% owner of the North Lanut gold mine and Bakan project in North Sulawesi). The Company has a number of other advanced mining and exploration projects in South East Asia.

Appendix 1 - Waste and ore volumes (Penjom)

		Tonnes mined			Bench Cubic Metres mined[1]		
		FY2007 Q3	FY2008 Q3	Variance	FY2007 Q3	FY2008 Q3	Variance
Waste		3,136,184	4,490,503	43%	1,161,550	1,795,913	55%
Ore		97,028	59,842	-38%	34,959	22,164	-37%
Total		3,233,212	4,550,345	41%	1,196,509	1,818,077	52%
Mining cost per tonne/BCM	US$	1.34	1.04	-22%	3.63	2.61	-28%
Stripping ratio[1] [2]	x					81.0	
Life of mine stripping ratio	x					22.5	
Excess stripping ratio	x					58.5	
Excess waste stripping[3]	BCM					1,296,594	
Excess stripping cost deferred[4]	US$m					3.4	

Notes

(1) Bench cubic metre (BCM) is a measure of volumes mined and is equal to the weight of rock (measured in tonnes) divided by its bulk density. BCM is used in mine planning where volumes are the key driver and it is necessary to avoid distortion due to differing bulk densities. The Group bases its deferred stripping calculations on BCM.

(2) Ratio of waste to ore.

(3) Represents the amount of waste BCM mined in the period in excess of the life of mine stripping ratio. Calculated as: excess stripping ratio multiplied by ore BCM mined.

(4) Represents cost of waste mining carried out as part of the long term pit expansion, rather than associated with the ore mined in the quarter.

Appendix 2 - Production and cash costs by quarter

	FY2007					FY2008		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3
Production (oz)								
Penjom	24,613	26,146	22,961	22,246	95,966	23,069	20,895	18,253
North Lanut	10,273	13,206	11,216	13,475	48,170	15,733	23,133	20,995
Continuing operations	34,886	39,352	34,177	35,721	144,136	38,802	44,028	39,248
ZGC	10,061	7,819	8,523	7,780	34,182	6,925	N/A	N/A
Total	44,947	47,171	42,700	43,501	178,318	45,727	44,028	39,248
Cash costs (US$/oz)								
Penjom	381	360	333	324	351	292	351	275
North Lanut	354	319	387	361	354	314	232	276
Continuing operations	373	346	351	338	352	301	289	276
ZGC	683	830	757	771	750	983	N/A	N/A
Total	443	426	432	415	428	404	289	276

Note

If deferred stripping accounting had been applied in FY2007, prior to the pit expansion, Q3 FY2007 cash cost would have been US$276/oz, in line with the Q3 FY2008 reported figure of US$275/oz despite significantly lower volumes mined last year.