



News Release

For Immediate Release

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AVOCET RESTRUCTURES MALAYSIAN EXPLORATION INTERESTS AND GAINS STRATEGIC STAKE IN SELINSING GOLD MINE

Avocet Mining PLC (“Avocet” or “the Company”) announces that it has entered into a Memorandum of Understanding (“MOU”) with Moncoa Corporation (“Moncoa”), to divest (“the Divestment”) its interest in one of its Malaysian subsidiaries, Damar Consolidated Exploration Sdn. Bhd. (“Damar”), in a deal that combines the Buffalo Reef prospect and adjoining Selinsing gold mine. The consideration to be paid to Avocet, which will be paid in two separate tranches, amounts to a total value of approximately US\$6.5 million based on a placement value of CDN\$0.50 per Moncoa share. Damar, a wholly owned subsidiary of Avocet, is the license holder of the Buffalo Reef prospect in Malaysia, which contains a JORC-compliant Indicated and Inferred Resource of 185,300 ounces of gold and is open along strike and at depth.

The transaction will be split into two components. Initially, Avocet will divest a 51% interest in Damar to Moncoa for CDN\$1,750,000 in cash and 5,500,000 shares plus 2,750,000 warrants in Moncoa. Avocet will also receive a further 500,000 shares, plus 250,000 warrants, in Moncoa at the same time, which will give Moncoa the obligation to acquire the remaining 49% interest in Damar within 12 months for an additional issue of 6,000,000 shares and up to a further 3,000,000 warrants. Avocet has agreed not to dispose of 11,500,000 of the Moncoa shares for at least two years from the date of completion of the transaction, which is expected before June 2007. All warrants will be exercisable at CDN\$0.65 for 24 months from the date of issuance. Following both stages of the transaction Avocet will have a fully diluted shareholding in Moncoa of just under 20%.

Moncoa is a Canadian company listed on the Toronto Venture Exchange (TSX-V, ticker MON), which is currently finalising the completion of the purchase of the Selinsing gold mine, located immediately to the south of Damar’s Buffalo Reef prospect in Malaysia.

The transaction satisfies the Foreign Investment Committee of Malaysia’s (FIC) requirement for Avocet to divest at least 30% of its equity interest in Damar, whilst allowing the Company to participate in the exploration and development of Buffalo Reef and the adjoining Selinsing gold mine by becoming a significant shareholder in Moncoa.

Completion of the transaction is subject to Moncoa finalising a CDN\$9.0 million private placement at CDN\$0.50 per share, the acquisition by Moncoa of 51% of the Selinsing mine with an option to acquire the additional 49%, due diligence by both parties and all regulatory approvals, which include Moncoa obtaining FIC approval from the Malaysian Government.

Additionally, Moncoa will fund a CDN\$400,000 exploration program on the Damar prospects over a period not to exceed two years. Avocet will receive approximately US\$6 per ounce for

any reported Measured, Indicated and Inferred Resources complying with the JORC Code discovered over and above the currently reported 185,300 ounces of gold.

A report on the Selinsing gold mine completed by Snowden Mining Industry Consultants has confirmed an Indicated Resource of 4.82 million tonnes at an average grade of 1.49 g/t for 230,000 ounces of gold. The report also states an Inferred Resource containing 10.32 million tonnes at 1.17 g/t for 388,000 ounces of gold.

Avocet's Penjom mine remains wholly owned by the Company and, not being part of this transaction, is not subject to any FIC divestment requirements. This transaction enables Avocet to focus on the continued expansion of its Penjom gold mine located approximately 45 km from Buffalo Reef, while retaining an interest in the expansion and development at Buffalo Reef - Selinsing.

The Divestment may not be accounted for in the financial year ending 31 March 2007, depending on the completion date. Following the completion of the financial year ending 31 March 2007, Avocet expects to provide a trading update for the full year during the first week of May.

Jonathan Henry, Chief Executive Officer, commented:

"We have owned and explored the Buffalo Reef prospect for a number of years, but it has not met our threshold for continued exploration or the development of a stand-alone mine. By combining this asset with the Selinsing gold mine immediately to the south, our continued exposure to the combined projects will allow us to participate in the upside offered through a significant equity interest in Moncoa."

All references to the Buffalo Reef resource have been approved for release by Mr Peter Flindell, BSc (Hons) MAusIMM, Chief Geologist for Avocet, who has more than 20 years experience in the field of activity concerned and is a Competent Person as defined by the JORC Code (2004). He has consented to the inclusion of the material in the form and context in which it appears.

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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), Tajikistan (as 75% owner and operator of ZGC, Tajikistan's principal gold mine), and Indonesia (as 80% owner of the North Lanut gold mine in North Sulawesi). The Company has a number of advanced mining and exploration projects in Asia and owns 26% of Dynasty Gold Corporation, a Canadian listed exploration company active in Western China.