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News Release

For Immediate Release

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AVOCET INCREASES OWNERSHIP OF ZERAVSHAN GOLD COMPANY TO 75%

MINE EXPANSION TO COMMENCE

Avocet Mining is pleased to announce that the Government of the Republic of Tajikistan has issued a decree granting the Company an increase in its shareholding of Zeravshan Gold Company (ZGC) from 49% to 75%. The Government holds the remaining 25% interest. As a consequence, the Company will commence an expansion and refurbishment of ZGC's operations with the objectives of increasing gold production to 100,000 ounces per year and reducing production costs to below US\$250/oz by 2006. As consideration for the increased equity interest in ZGC, the Company has agreed to forgive shareholder loans that predated its ownership of ZGC.

In November 2002 the Company acquired a 49% equity interest in ZGC through the purchase of 100% of a Bermudan holding company, Commonwealth and British Minerals Limited (CBML). This included the purchase of a 5% interest in ZGC held by the International Finance Corporation. The total consideration paid was approximately US\$4.8 million in Avocet shares and cash. As part of the original acquisition the Company also purchased, for a nominal amount, outstanding shareholder loans of approximately US\$98 million, including accrued interest, owed to CBML by ZGC. These loans had been advanced to ZGC by the previous owner of CBML in order to fund ZGC's original mine development. The Company and the Government of the Republic of Tajikistan have both recognised that the existence of this debt and their respective shareholdings are not conducive for attracting new investments needed for ZGC to realise its potential.

After commencing production in 1996, ZGC reached production of just over 100,000 ounces of gold at a cash cost of approximately US\$200/oz in 1998. Since then production has declined and costs have increased as both ore resources and production efficiencies have suffered from a lack of exploration and investment in plant and equipment. As announced in the Company's recent year end results, ZGC's gold production was 55,500 ounces at a cash cost of US\$322/oz for the year ending 31 March 2004. Nevertheless, recent exploration and the successful testing of low cost dump leaching have significantly enhanced the size and economics of ZGC's measured and indicated gold resources which now total over 1.3 million ounces at current operations. This has given the Company the confidence to commit approximately US\$10 million of existing cash resources for the improvement and expansion of ZGC's operations.

The aforementioned gold resources do not include the additional exploration potential within ZGC's land position, which totals approximately 3,000km², where previous

exploration has identified a large number of gold deposits containing a total of over 13 million ounces categorised under the Russian system as C and P resources. Only resources at ZGC's existing operations and at two other projects have been evaluated under western standards. These projects include Taror, which is near ZGC's existing plant, and Chore. Taror, which contains 1.86 million ounces of gold resources and significant copper credits, is an underground mine that closed in 1990 due to processing difficulties, which later feasibility studies have shown are resolvable. Some test work on Taror's ore is ongoing. Chore, which contains in excess of 0.9 million ounces of gold resources, was explored from underground and could provide feed for an operation at Taror.

Following recent meetings in Dushanbe, the capital of the Republic of Tajikistan, to finalise the new equity structure, John Catchpole, Chief Executive of Avocet commented: "We greatly appreciate the Government of the Republic of Tajikistan's willingness to entrust Avocet with one of the country's principal assets. We believe that this trust will not only be rewarded but will also be a fine example for new foreign investments within the Republic of Tajikistan."

Avocet is a mining company listed on the AIM market of the London Stock Exchange. 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 the Zeravshan Gold Company, Tajikistan's principal gold mine), and Indonesia (as 80% owner of the North Lanut gold project in North Sulawesi which will commence gold production later this year).

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