



## News Release

For Immediate Release

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### **AVOCET ENHANCES GROWTH PIPELINE** **- ADDS ANOTHER ADVANCED EXPLORATION PROJECT IN INDONESIA**

Avocet Mining PLC (“Avocet” or “the Company”) announces that it has expanded its exploration presence in Indonesia by signing a Memorandum of Understanding (“MoU”) with a local party in northeast Kalimantan giving it the right to earn an interest of up to 80% in an advanced gold project by funding the project through to a decision to mine. Following the Banda acquisition last year, this transaction is another step in the Company’s strategy of generating organic growth capable of supplementing existing operations and expanding the Group’s resource base.

The Company has signed an MoU with PT Sago Prima Pratama (“Sago”) on the Seruyung property. Sago is an Indonesian company that owns 100% of Seruyung through a Kuasa Pertambangan Explorasi, or national exploration license, covering an area of 40 km<sup>2</sup>. More details on the location of the property are laid out in the attached figure.

Seruyung is a high-sulphidation epithermal system suitable for heap leaching, similar to the Company’s North Lanut gold mine and Bakan development project. The property was first discovered by Indochina Goldfields Limited (Ivanhoe Mines) in 1994. Drilling by Indochina and follow up work by Canadian listed junior, Pencari Mining, inferred a contained gold resource in the region of 225,000 to 330,000 ounces.

Avocet believes that the high-grade feeders that form these deposits have not been fully explored and are not modelled in the Indochina or Pencari resource estimates. The Company also recognises potential for additional low-grade, heap-leachable mineralisation within the tenement. These two factors lead Avocet to believe that the project has the potential to host at least 500,000 ounces of gold. Additionally, the project is located on a small hill above a broad coastal plain approximately two kilometres from a navigable river. These are positive factors for potential mine development. The Company considers that its established local presence, exploration expertise and ability to develop heap leach projects at modest capital outlays will allow it to add greater value to the project than recognised by previous explorers.

The MoU with Sago allows Avocet to earn a 51% beneficial interest in the property by funding a US\$800,000 exploration programme. This programme will include ground geophysics, drilling and metallurgical test work designed to develop a JORC-compliant resource. The Company can earn a further 29% by funding the project to a decision to mine. Avocet is completing due diligence and expects to commence drilling by the second quarter of 2008. The Company has also worked with Sago to control the surrounding area through additional tenement applications.

Jonathan Henry, Chief Executive Officer, commented:

“This transaction brings another advanced exploration project into our portfolio that has the potential to add to our producing assets within two to three years. Just as we have seen at North Lanut, this style of mineralisation is ideal for a profitable, low-cost heap leach operation.”

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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.

All references to resources and exploration results 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.

**Figure 1: Seruyung project and prospect location**

