



News Release

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ENCOURAGING GOLD GRADES FROM SCOUT DRILLING AT TANOYAN, NORTH SULAWESI, INDONESIA

Avocet Mining PLC (“Avocet” or “the Company”) announces encouraging gold grades from Phase 1 scout drilling on the Tanoyan prospect, located 7 kilometres west of the Company’s Bakan development project in North Sulawesi, Indonesia. Tanoyan is held under a local exploration licence (KP) that was acquired as part of the Banda portfolio announced on 29 June 2007. Avocet holds a beneficial 60 per cent interest in the Tanoyan project, with the Banda minority shareholders owning 25 per cent and the Company’s partners at North Lanut holding a 15 per cent back in right. Avocet is targeting a minimum resource of 500,000 ounces of gold at Tanoyan.

Avocet has completed 22 scout diamond drill holes (2,877 metres) to evaluate four low sulphidation epithermal vein systems – Rapé, Sondana, Lingkubungon and Talong-Modupola (**Figure 1**). The vein zones are 5 to 11 metres wide and have a strike length of at least 1,600 metres, as they extend to the south into the Company’s Bolaang Mongondow Contract of Work (CoW) on which the Company’s North Lanut mine and Bakan project are located. The four veins are 500 to 600 metres apart. Artisanal mining at Tanoyan has exploited high grade gold veins above the water table in the upper 40 metres of vein sections, but left the bulk of the vein systems intact.

Table 1 summarises the significant intercepts from this scout drilling programme, which include

- Hole TND002 - **10.0m @ 8.81 g/t Au** from 31 metres depth and **20.0m @ 3.13 g/t Au** from 138 metres;
- Hole TND003 - **13.0m @ 1.39 g/t Au** from 70 metres from a 500-metre segment of the Sondana Vein;
- Hole TND008 - intersected **4.1m @ 3.53 g/t Au** from 54.9 metres and **5.4m @ 2.33 g/t Au** from 122.0 metres on the Talong-Modupola Vein.

The Tanoyan vein system is typical of many low sulphidation epithermal deposits in the Pacific Rim. There is a distinct vertical zonation in these deposits, with lower grade, lower temperature veining at higher levels, typically located above or adjacent to higher temperature, multiphase veins that may include boiling textures. These boiling textures are significant as they reflect the process responsible for gold deposition in the vein system and can host bonanza gold grades. Many of the scout holes drilled at Tanoyan have intersected the higher level veins, suggesting that the boiling zone(s) may exist at depth. The better intercepts are from quartz-sulphide veins and veinlets and lead the Company to believe that there is potential for a significant resource on the prospect.

The Company has conducted geophysical and geochemical surveys in support of the drilling programme. The former has identified several areas where the vein zones continue, but are not

reflected by surface outcrop. This work has also identified several geophysical anomalies at depth that, based on correlation with recent drilling data, reflect sulphide concentrations in the altered wall rock that may be used as indicators to higher grade portions of the vein system. The soil geochemistry demonstrates strong correlation of gold and silver with mapped vein zones that lend support to the strike projections of the veins.

The Company has embarked on a second phase of drilling designed to test the potential for high-grade boiling zones beneath the chaledonic veining intersected in the first phase. This will enable the estimation of the gold resource potential by the end of the year that may then warrant infill drilling to determine JORC-compliant Mineral Resources next year. Preliminary metallurgical test work will commence shortly.

Preliminary results for the year ended 31 March 2008

As previously announced, Avocet will announce its results for the year ended 31 March 2008 on Wednesday 9 July. A presentation to investors and analysts will take place at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL, at 11am on the day of the results.

Jonathan Henry, Chief Executive Officer, commented:

"The resource potential at Tanoyan has increased significantly since the acquisition of the property last year and is now one of a number of high priority programmes for Avocet. We are very pleased with the outcome of initial drilling and together with a number of other prospects we are currently drilling in Indonesia, our exploration pipeline is becoming increasingly valuable as we move these prospects forward. We look forward to the next round of drilling results."

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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.

Background to operations

The Penjom gold mine is Malaysia's largest gold producer and was developed by Avocet after applying modern technology to grass roots exploration in an area of historic mining. The mine was commissioned in December 1996 with reserves of 223,000 ounces. Successful resource development, particularly over the last five years, means Penjom has produced over one million ounces of gold to date and still has nearly one million ounces of resources. This is expected to grow further following a drilling programme expected to total 70,000 metres over the next year which includes deep drilling to help assess the potential for underground mining in the near future, where areas of high grade ore are known to exist. In November 2005, the Company announced a significant increase in Penjom's life of mine plan to over half a million ounces, which resulted in the design of a much larger pit to allow the additional ounces to be mined. Over the last year Penjom has expanded its mining and plant

capacity accordingly. Avocet was able to overcome initial problems of highly carbonaceous ore at Penjom by developing unique processing systems including complex gravity circuits and resin-in-leach (RIL) technology. These processes have potential applications at other carbonaceous orebodies.

The North Lanut gold mine in North Sulawesi, Indonesia, was developed by Avocet from the exploration stage and has produced nearly 200,000 ounces since it was commissioned in 2004, including record production in the year ended 31 March 2008 of 74,000 ounces. Recent high grade exploration results indicate the potential for a significant increase in resources and extension in the mine's life. In 2002 Avocet purchased its 80 per cent interest in PT Avocet Bolaang Mongondow (PT ABM), an Indonesian company holding a 6th generation Contract of Work (CoW), from Newmont Mining Corporation. The North Lanut gold mine is located within the CoW, which includes exploration and mining rights over approximately 50,000 hectares in an area highly prospective for gold. An Indonesian company, PT Lebong Tandai, owns the remaining 20 per cent.

Table 1: Significant drillhole intercepts at Tanoyan, North Sulawesi

Hole ID	East (m)	North (m)	RL (m)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments							
TND001	639285.8	67019.1	356.7	135	-60	116.6	15.00	18.05	3.05	2.30								
							19.55	24.55	5.00	1.66								
TND002	639145.9	66831.5	343.9	135	-60	194.6	5.00	10.00	5.00	1.01								
							12.00	15.00	3.00	1.58								
							21.00	23.00	2.00	0.70								
							27.00	29.00	2.00	2.00								
							31.00	41.00	10.00	8.81	incl. 5m @ 16.8 g/t Au from 33m							
							45.00	47.00	2.00	0.72								
							95.00	96.00	1.00	0.78								
							138.00	158.00	20.00	3.13	incl. 8m @ 6.02 g/t Au from 147m							
TND003	639486.3	67297.9	341.4	135	-65	148.1	61.00	63.00	2.00	0.57								
							65.00	67.00	2.00	0.80								
							70.00	83.00	13.00	1.39								
							86.00	92.00	6.00	0.99								
							100.00	101.00	1.00	1.02								
							103.00	104.00	1.00	0.54								
							TND004	638875.1	67674.8	409.9	90	-65	131.0	64.00	66.00	2.00	1.02	
														68.00	70.00	2.00	1.17	
TND007	638851.1	66412.7	385.9	135	-60	168.2	53.00	55.00	2.00	0.90								
TND008	640824.9	67372.3	274.1	135	-60	140.2	54.90	59.00	4.10	3.53	incl. 1.70m @ 6.02 g/t Au from 57.3m							
							74.00	76.00	2.00	0.52								
TND009	641046.7	67548.6	271.5	270	-60	109.0	122.00	127.40	5.40	2.33								
							71.20	73.00	1.80	1.42								
							76.00	76.60	0.60	1.23								
TND010	639669.4	67535.5	351.1	135	-60	129.0	99.00	100.00	1.00	0.66								
							10.00	11.00	1.00	0.50								
TND013	640211.8	66209.1	290.7	90	-60	114.2	37.00	41.00	4.00	1.20								
							12.00	14.00	2.00	3.14								
							16.00	20.00	4.00	0.94								
							24.00	27.00	3.00	0.51								
							36.00	38.00	2.00	0.60								
							58.00	60.00	2.00	0.87								
TND014	640635.5	67123.3	259.2	135	-60	89.2	65.00	66.00	1.00	0.91								
							20.00	23.00	3.00	2.38								
TND015	640867.2	67325.3	270.2	135	-60	100.0	34.00	35.00	1.00	0.60								
							12.00	13.00	1.00	1.35								
TND016	638917.9	66532.4	398.5	135	-60	185.0	28.00	31.00	3.00	2.44								
							167.20	170.00	2.80	0.69								
TND018	638821.1	67518.9	426.3	90	-60	95.5	174.00	175.00	1.00	0.61								
							2.80	6.00	3.20	0.52								
							32.00	38.00	6.00	0.82								
							40.00	41.00	1.00	0.76								
TND021	639333.8	65829.8	284.4	135	-60	78.9	46.00	48.00	2.00	0.96								
							13.60	14.80	1.20	0.92								
							44.00	46.00	2.00	0.55								

Note: Individual gold assays have a top cut of 100 g/t Au and a lower cut of 0.5 g/t Au for intercept calculations
Maximum internal waste allowed is 1m and minimum mineralised interval is 0.5m
All holes are drilled from surface using conventional triple-tube diamond drilling techniques
All samples are from half diamond core prepared and analysed by fire assay by SGS Laboratories (Balikpapan)

Figure 1: Drillhole layout at Tanoyan, North Sulawesi

