



news release

30 June 2006

Oxus Gold plc

JEROOY PROJECT STATUS UPDATE

LONDON: 30 June 2006. Oxus Gold plc ('Oxus' or the 'Company') (OXS.L) announces that it has served a notice of arbitration on the Kyrgyz Government in respect of an investment dispute over the Jerooy gold project. The notice has been served pursuant to the UK-Kyrgyz Republic Bilateral Investment Treaty. The Company, however, remains in ongoing discussions with the Kyrgyz Government regarding reinstatement of the license to mine the Jerooy project. If arbitration proves necessary, the next step will be for an arbitral tribunal to be constituted.

Having offered to amend the terms of the Jerooy joint venture to the benefit of the Kyrgyz parties, the Company looks forward to a satisfactory resolution of the dispute and to being invited to continue the construction and development of the Jerooy project. The Company notes that the Kyrgyz Parliament has instructed the Kyrgyz Government to nullify its agreement with a potential alternative investor and to consider the licensing issue in an open and transparent manner, and that the local Kyrgyz courts have granted injunctions that prevent the Government from transferring the mining rights to another investor.

Oxus has already spent over \$50 million on the Jerooy project and construction of the processing plant and related infrastructure are now largely complete. Assuming the license issue can be resolved relatively quickly, first gold production could begin early next year, which would be in the best interests of the local employees and the Kyrgyz Republic as a whole.

Ends:

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