



## news release

Monday 11 September 2006

# Oxus seeks order from Arbitration tribunal to protect investment

## Claims against Kyrgyz Government

LONDON: 11 September 2006 - Oxus Gold plc ("Oxus") reports today that it is seeking an immediate order under the UNCITRAL arbitration rules to protect Oxus' investments in Kyrgyzstan, following the government-sponsored illegal occupation last Thursday of premises owned by Talas Gold Mining Company, Oxus' joint venture company at Jerooy.

Last Thursday, in direct contravention of the United Kingdom-Kyrgyz Republic Bilateral Investment Treaty and Kyrgyz law, local police and representatives of Jerooyaltyn, acting under the instructions of the Vice Governor (Mr Murataliev) of the Talas region of Kyrgyzstan, forcibly occupied warehouse and accommodation properties, owned by Oxus, and ejected the residents and other Oxus staff at short notice. Jerooyaltyn has also stopped access to Oxus' plant, although the plant itself has not been occupied.

Representatives of Jerooyaltyn, a recently created joint venture between Kyrgyzaltyn and Global G.o.l.d, took possession of the administration buildings, the warehouse and the accommodation buildings at Jerooy, and placed guards outside the plant.

Oxus has submitted an urgent request to the UNICTRAL Arbitration Tribunal, hearing Oxus' claim against the Kyrgyz Government, requesting an immediate order under the UNCITRAL Arbitration Rules, which would require the Kyrgyz Government to provide full protection and security of the plant and associated buildings and equipment at Jerooy for the benefit of Oxus. In addition, it should allow Oxus unrestricted access and possession of the plant and buildings.

Bill Trew, Chief Executive of Oxus Gold, said today: "The plant and associated buildings at Jerooy are all owned by companies in the Oxus Group and are on land to which Talas Gold Mining Company, our joint-venture company, has legal possession. This land is also outside the area of land allocated to Jerooyaltyn by the recent, and wholly unlawful, license dated 23 May 2006.

"This is an egregious breach by the Kyrgyz Government of the UK-Kyrgyz Republic Bilateral Investment Treaty under which Oxus has the right to "enjoy full protection and security" from the Government for its property and operations in the country. Yet, Jerooyaltyn, with the approval of the Vice Governor of the Talas region, and

with the assistance of the local police, has forcibly taken physical control of Oxus's investment at Jerooy and intimidated the company's personnel. The Kyrgyz Republic should respect the rule of law both in respect of its own law and international treaty obligations.

"The UK Government and the Kyrgyz Government jointly entered into this Bilateral Investment Treaty and, as a British Company, we would expect our government to lend its full support to Oxus in its pursuit of its legal rights. We have applied to the UNCITRAL arbitration panel to issue an immediate order to the Kyrgyz Government," said Mr Trew.

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