



news release

For immediate release - Tuesday, 20 February 2007

OXUS GOLD PLC

Oxus Gold successfully appeals against Uzbek tax claims

AGF joint venture liable for approx \$1 million claims

LONDON: 20 February 2007- Oxus Gold plc ("Oxus" or the "Company") is pleased to report that the Navoi Regional Economic Court in Uzbekistan has confirmed that its Amantaytau Goldfields ("AGF") joint venture is not liable to pay various taxes, customs duties, fines and penalties imposed on it by the regional tax and customs authorities for alleged breaches of tax laws.

During August 2006 the regional tax and customs authorities brought a claim against AGF for back taxes, customs duties, fines and penalties amounting in total to approximately \$225 million for alleged breaches of the Uzbek tax laws.

These claims were upheld by a Navoi regional court at the end of October 2006 but, following an appeal by AGF, on 28 December 2006 the Appeal Court allowed AGF's appeal and rejected all the principal claims of the regional tax authority.

As a result, revenue claims, fines and penalties totalling approximately \$208 million were no longer payable and various restrictions imposed on AGF's operations as a result of the earlier ruling, were lifted. The regional tax authority did not appeal this decision within the permitted timeframe and, as a result, the Appeal Court's decision in AGF's favour is now effective.

Further, on 7 February 2007 the Navoi Regional Economic Court (the "Court") rejected the claims of the regional customs authority on the payment by AGF of customs duties amounting to an additional \$2 million. On 16 February the Court also rejected the claims of the regional tax authority on the payment by AGF of taxes amounting to approximately \$14 million. Based on the foregoing, AGF will not be required to pay taxes, customs duties, fines and penalties amounting in total to nearly \$224 million.

However, the Court did decide that AGF was responsible for the payment of certain revenue taxes due, amounting in total to approximately \$650,000, and could also be liable for the payment of some claims for non-residents' income tax amounting approximately to a further \$450,000. Oxus has already provided for a sum within its annual accounts to June 30 2006 to cover its 50% share of a possible outstanding liability of \$1.1 million.

Bill Trew, CEO of Oxus, said today: "We are pleased to have confirmation from the Navoi Regional Economic Court that AGF is not liable to pay the \$224 million in taxes and penalties. It has always been Oxus's policy to work within the framework of the legal and taxation regimes in all the countries where we have interests and we strongly believed that AGF had followed that practice. It is a relief to us to have this behind us so that we can focus our efforts on the efficient operation of the AGF oxide plant and the further development of the sulphide operations where there is significant upside potential."

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