



## news release

For immediate release: 29 April 2008

### **OXUS GOLD PLC**

#### **Proposed Placement of Convertible Loan Notes Issue of New Shares**

LONDON: 29 April 2008 – Oxus Gold plc (“Oxus” or the “Company”) (OXS.L) is pleased to announce its intention to place between US\$25 million and US\$35 million of convertible loan notes (the “Notes”). The Company is also in the process of finalising a mandate with a leading international bank to arrange approximately \$150 million in project finance (the “Project Finance Facility”) for Amantaytau Goldfields (“AGF”) in order for AGF to develop its Phase 2 underground sulphides project.

The Notes will carry an 8% coupon and will be convertible into new ordinary shares of the Company at 37 pence per share. At the holder’s option the Notes may be converted on the earlier of a written request from the holder to convert, or first drawdown on the Project Finance Facility. The Notes may also be redeemed on the earlier of first drawdown on the Project Finance Facility, or after two years from the date of issuance. It will be a condition precedent to drawdown on the Notes that the mandate to arrange the Project Finance Facility has been signed.

The proceeds of the Notes will be used (i) to finance the construction of a one million tonnes per year heap leach operation at AGF’s Asaukak deposit, to produce approximately 30,000 ounces of gold per year at an estimated cash cost of \$400 per ounce, commencing in early 2009; (ii) to commence initial development of the underground sulphides project at AGF and to place orders for certain long-lead time items of equipment; (iii) to finance the proposed exploration programme at AGF for 2008; and (iv) for general working capital.

First drawdown on the Project Finance Facility is currently expected to occur in October or November 2008, and first production from the underground sulphides project is currently forecast for Q3 2009. Further details of the underground sulphides project will be announced following the completion in May 2008 of the bankable feasibility study currently being updated by Wardell Armstrong International. The underground sulphides project is expected to increase AGF’s production to approximately 300,000 ounces of gold per year from 2010. Oxus owns 50% of AGF.

Oxus also announces that Zeromax GmbH has agreed to capitalise \$3 million of loans previously advanced to the Company into new ordinary share of the Company at 25

pence per share. Zeromax will be issued with 6,030,151 shares in the Company, following which Zeromax will own a total of 68,533,797 shares in the Company, representing 18.10% of the enlarged outstanding share capital of 378,717,611 shares.

Application has been made for the 6,030,151 shares to be admitted to trading on the AIM market of the London Stock Exchange and dealings are expected to commence on 6 May 2008. The new shares will rank pari passu with existing ordinary shares.

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