

HAMBLEDON MINING PLC

(AIM: HMB)

Sekisovskoye Update – Inquiry conclusions and restart of operations

Hambledon Mining plc ("Hambledon" or the "Group" or the "Company"), the AIM-listed gold mining and processing company operating in Kazakhstan, announces the partial restart of operations at its gold mine at Sekisovskoye. This follows the conclusion of the investigation into the boiler accident on 12 February 2008. A replacement boiler has been ordered and this is expected to be on site and installed in time for the overall plant to be in full operation by mid April.

Conclusions of the investigation

The committee appointed by the Department of Labor and Social Protection Ministry of the Republic of Kazakhstan in Eastern Kazakhstan Region (the "Committee") has completed its investigations.

The Committee found that, although there had been a comprehensive testing of equipment and process at the plant, the cause of the accident was a small explosion in the burner side of the boiler, resulting from incorrect adjustment of the fuel-air mixture, causing the rupture of the main liquid vessel. Fault was attributed to incorrect procedures and modifications by several of the Company's employees, manufacturing faults in the boiler itself, incorrect selection of equipment and operation of the boiler by non-specialist staff. The Committee concluded that the Company was responsible and no fault was attributed to the operator who died. The Committee ordered that four employees be removed from their positions, one of whom the Company has subsequently dismissed. Three further employees have been fined. No fines were imposed on the Company.

Restarting of operations

The Company is permitted to restart all operations at the plant immediately, except for the redesigned elution boiler which will need to be inspected and approved by the Committee for State Control over Emergencies and Industrial Safety. The crushing plant will be restarted shortly, with the intention of building up a stockpile of crushed ore prior to the restart of the overall plant by mid April 2008. Mining operations, which were suspended after the accident to conserve cash, will not be restarted until the beginning of May as a stockpile of some 150,000 tonnes of ore already exists.

In addition to a small quantity of gold and silver in doré form, approximately six kilogrammes of gold are on steel wool ready for smelting and a further 30 kilogrammes are on carbon awaiting the recommissioning of the elution system.

In order to safeguard the availability of the workforce, no employees have been laid off or put on short-time working. During the closure, employees have been transferred to other activities and have received additional training. Additional suitably qualified personnel are being employed in readiness to operate the replacement boiler, once the plant is in full operation again.

Replacement boiler

The Company is using specialist boiler-consultants, who were approved by the Committee for State Control over Emergencies and Industrial Safety, to design, specify and install the new

elution boiler and associated equipment. This design, which meets all of the points raised by the Committee in its findings, has already been completed and a suitable, ready-made boiler has been located and ordered from a manufacturer in Beesk, just 300 miles from the mine site across the Russian border. The manufacturer has agreed to procure and fit the necessary peripheral equipment, ready for shipment by the end of March with a further two weeks for it to be trucked to site and installed. The Company anticipates that approval will be given shortly thereafter, enabling all operations at Sekisovskoye to be up and running again by mid April 2008.

Funding position

The Company is closely monitoring the impact on the cash flow and present indications are that the Company's current funds are sufficient. The Company is in negotiations with its bankers for stand-by finance as an option in case it should be needed.

Nick Bridgen, Chief Executive of Hambledon, commented:

"We appreciate the speed with which the Ministry has completed its report and will action all its recommendations. We are now working to bring the operation back into production as quickly as possible and we expect to be fully operational by mid April. We extend our deepest sympathies to the family of the operator and are offering personal support to them at this difficult time."

Enquiries

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Note to editors

Hambledon Mining plc is an AIM-listed gold mining and exploration company, which is operating the Sekisovskoye gold mine and the Ognevka processing plant, both of which are close to Ust Kamenogorsk in East Kazakhstan.

At Sekisovskoye, the Company is mining from an open pit and has constructed an 850,000 tonnes per year treatment plant. Production from the open pit will average over 40,000 ounces per annum. After the re-start of open pit processing, the Company plans to develop the much larger underground resource that is expected to lead to a combined production rate of around 100,000 ounces per year.

The Ognevka processing plant is producing concentrates containing gold, silver, copper, iron and coke from the re-treatment of zinc smelter residues.