



FOR IMMEDIATE RELEASE

29 September 2008

ANGLO ASIAN MINING PLC

INTERIM RESULTS FOR THE SIX MONTHS TO 30 JUNE 2008 AND UPDATE

Anglo Asian Mining PLC (“Anglo Asian” or “the Company”; AIM: AAZ), the mining development company with copper and gold properties in Azerbaijan, announces its unaudited interim results for the six months ended 30 June 2008.

Highlights:

- US\$25 million of debt financing for the Gedabek project secured from the International Bank of Azerbaijan (“IBA”)
- Construction work commenced at Gedabek, including mine camp facilities, road access and leach pad earthworks
- Key equipment for the processing plant and crushing/agglomerating circuit ordered
- Major contracts for earthworks, civil works supervision and tank fabrication awarded
- Management team recruited to complete the project

Subsequent events

- Key appointments of Chief Technical Officer and Chief Financial Officer to strengthen team in Azerbaijan
- Board restructured – actively seeking to recruit new Chief Executive Officer
- Revised Gedabek Work Program and Budget 2008 approved by the PSA Steering Committee
- Road access to leach pad completed and earthworks on the leach pad area advanced
- Crusher foundations placed and conveying equipment on site
- Engineering plans completed and excavation of waste commenced in the open pit

Khosrow Zamani, Chairman of Anglo Asian, commented:

“The Gedabek project is progressing well, although there were some weather disruptions in the spring. The Company remains optimistic that the majority of the construction work at Gedabek will be completed by year end and first gold production will follow soon thereafter. The project is still expected to be completed within or very close to budget and will provide the basis for first cash generation to repay debt and provide funding for other exploration projects in Azerbaijan.”

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Chairman's Statement

I am pleased to be able to update shareholders regarding the Company's development. Our team in Azerbaijan remains focused on bringing the Gedabek mine into production and significant progress has been made over the summer months.

Construction activities have been advanced on the leach pad, the plant area and the open pit mine. We were also pleased to obtain debt financing from the IBA which, on current forecasts, enables us to complete the construction work. The forecasts, however, show that there is little margin for error. If either cost overruns or delays result in a funding shortfall, then the Board will have to take steps to ensure there is adequate funding. The major shareholders on the Board have confirmed that they would be willing to provide additional funding in such an event and also consider that further working capital facilities could be negotiated with the IBA.

The Company has also recently commenced an exploration drilling programme in Ordubad and a second rig has been mobilised to carry out some scout drilling at the Maarif and Maskhit prospects, which are very close to Gedabek. We are also working to extend the exploration period for other highly prospective properties extended beyond April 2009. The work in Ordubad is centred on two adjacent prospects at Misdag and Shalala, where it was considered more exploration was justified.

Gedabek

Construction work at Gedabek continued during the first half of the year. The mine camp has been expanded to accommodate construction workers and earthworks commenced on the access roads to the mine and leach pad areas. Heavy spring rains severely hampered road works, as much of the cut material is clay. However, by July, mobile equipment was able to move freely to the leach pad, when earthworks associated with the crusher, leach pad and solution ponds commenced.

Equipment and supplies have been arriving at site steadily over the past few months. More recently, work started on the concrete foundation for the crusher and all the crushing and conveying equipment has been delivered from Turkey. The main focus of activity has, however, been on the leach pad, where topsoil and unsuitable clays are being excavated and stockpiled. The HdPE liner is stored on site, ready for installation once these earthworks are completed. Plant equipment, including power generators and the majority of mechanical and electrical supplies, are expected to be on site before the end of October. In Baku, the fabrication and painting of twenty-six steel tanks for the gold absorption plant and the copper precipitation plant is 95% complete.

Final electrical design is in progress and the majority of buildings on site are to be pre-fabricated, to minimise erection costs and time. Geotechnical investigation work is on-going, as more exposures become available for assessment.

Although some adjustments to the original construction schedule have been necessary, due mainly to weather conditions, the Company's start-up target remains as December 2008. The mine has an ore reserve of 7.7 million tonnes at average grades of 1.80 grams per tonne ('g/t') gold, 15.9 g/t silver and 0.29% copper. Gold, silver and copper production over the mine life has been conservatively estimated to be 311,154 oz of gold, 1,959,109 oz of silver and 17,424,960 lbs of copper respectively. The calculated ore reserve excludes the inferred ore within the current pit boundaries, any extensions of the mineralisation already identified outside the pit and from old mine stockpiles produced from previous underground mining at Gedabek.

Capital costs are currently estimated at US\$30.5 million, including US\$3.1 million of working capital. The cash operating costs over the mine life are now forecast to average approximately US\$400 per oz of gold (US\$200 per oz net of copper and silver credits, at current metal prices.) Payback of the capital investment is expected within one year from the start of production. The Company will initially receive 87.25% of the cash flows until capital and operating costs are fully recovered along with a notional interest accrual of 4% above LIBOR.

Anglo Asian continues to support community initiatives; for example, a course organised for the large number of bee keepers in the Gedabek region was well received by local residents and further ideas on how to improve honey production will be implemented in the future.

Exploration

2008's exploration strategy has been to focus on prospective properties, both within the Gedabek contract area and in Ordubad and Gosha. We aim to be in a position to apply for extensions to our exploration activities in Ordubad and Gosha before April 2009. As a notice of discovery has been submitted for the Gedabek contract area, we retain exploration rights for this area for a minimum period of 15 years.

In Ordubad, the Company has two adjacent significant copper resources at Shalala and Misdag, which could also contain gold and molybdenum. In 2006, when the Gedabek discovery was made, the exploration of these areas was put on hold. An exploration programme commenced at these two prospects in August; however, as they are at elevations above 2,500 metres, there is a limited access period due to snow cover. Geophysics work has been carried out at Misdag, with the first hole drilled there this month. Misdag surface trench results from 2006 were always encouraging and in line with previous surface trench results obtained by the Soviets. Drilling at Misdag will be limited to one or two holes for this season which, combined with the geophysical analysis, should enable the Company to establish the geological potential of these properties for further work in 2009.

The Shalala prospect is nearby to Misdag and it is possible that both deposits could be connected at depth. Several drill-holes are planned at Shalala to establish the grade of a known area of stockwork, where elevated grades of copper can be expected. Induced polarization and ground magnetics will also be applied to further investigate the characteristics of this deposit and its relationship with Misdag. The results from Misdag and Shalala drilling programs will be known in the fourth quarter of 2008.

Meanwhile in the Gedabek contract area, a second drill rig has been mobilised to test the Maarif and Maskhit copper/gold systems. These deposits are within 10 km of Gedabek and if economic, may serve as satellite deposits for development, once a processing facility is established at Gedabek. Several other gold prospects occur in the Gedabek Contract Area, which require more grassroots exploration before becoming drilling targets. This work can be carried out whilst mining operations continue at the Gedabek deposit.

Financing

The IBA has provided funding for the project through two facilities negotiated early in 2008. The first credit line of US\$5 million has been largely drawn down and payments are now made through the US\$20 million term loan. The US\$5 million credit line facility is repayable over three years and the US\$20 million term loan over four years, with a two year grace period. Interest on both these loans is charged at 15%, but with no arrangement or other fees.

Additional funding in the form of a bridging loan for working capital and/or capital over-runs has also been discussed with the IBA.

Our cash balance was US\$3.7 million and a total of US\$4.6 million has been drawn on the loan facilities at 30 June 2008.

The Non-Executive Directors and Reza Vaziri continued to receive their fees in the form of shares during the first half of the year.

Financial results

The Group reported an unaudited operating loss of US\$2,453,807 (US\$12,378,630) for the six months to June 30 2008 (six months to June 30 2007). The operating loss resulted from the charging of administrative expenses of US\$2,453,807 (US\$2,214,560 H1 2007).

Exploration and evaluation expenditure of US\$145,232 (US\$1,336,517 H1 2007) was capitalised in the period. The expenditure was in relation to the properties at Gedabek, Gosha and Ordubad.

Capital expenditure for the period to June 30 2008 was US\$5,858,289 (US\$90,560 H1 2007), the majority of which related to the construction of the mine and facilities at Gedabek.

Board and management

As previously announced, Gordon Lewis has tendered his resignation from the Board in order to pursue other opportunities in his native Australia; he will leave the Company and the Board on 30 September 2008. I should like to take this opportunity to wish Gordon well for the future and thank him for his contribution to the development of the Company in his two years of stewardship. In the meantime, Reza Vaziri, currently President and Executive Director, will assume the role of Chief Executive until a replacement is appointed. The Board is actively seeking to recruit a replacement Chief Executive.

On 23 July 2008, Tim Eggar stepped down from his role as Non-Executive Director and Chairman of the Audit Committee after three years service. I should also like to thank Tim for his contribution to the development of the Company during this period. Richard Round, who stepped down from his executive position as Finance Director to concentrate on other business interests, has taken up the position of Chairman of the Audit Committee and Non-Executive Director.

Post period end, Farhang Hedjazi was appointed as Chief Technical Officer and Andrew Herbert was appointed as Chief Financial Officer. Both are full time non-board positions based in Azerbaijan. These appointments significantly strengthen the team in Azerbaijan and will be key to the development of the Company during the construction and development phases at Gedabek.

I look forward to providing our shareholders with further updates in the remainder of this year.

Khosrow Zamani
Chairman
Anglo Asian Mining PLC

29 September 2008

Anglo Asian Mining PLC Group Income Statement

For the 6 months ended 30 June 2008

		Unaudited 6 months to 30-Jun-08	Unaudited 6 months to 30-Jun-07	Audited Year to 31-Dec-07
	Note	US\$	US\$	US\$
Administrative expenses		(2,453,807)	(2,214,560)	(4,935,566)
Write-down of capitalised intangible assets		-	(6,890,183)	(6,692,218)
Write-down of assets held for sale		-	(3,273,887)	(3,273,887)
OPERATING LOSS		(2,453,807)	(12,378,630)	(14,901,671)
Finance income		23,762	117,580	218,365
LOSS BEFORE TAX		(2,430,045)	(12,261,050)	(14,683,306)
Income tax expense		-	-	-
LOSS FOR THE PERIOD		(2,430,045)	(12,261,050)	(14,683,306)
Basic and diluted loss per ordinary share (cents)	2	(2.42)	(12.36)	(14.80)

Group statement of total recognised income and expenses

For the 6 months ended 30 June 2008

	Unaudited 6 months to 30-Jun-08	Unaudited 6 months to 30-Jun-07	Audited Year to 31-Dec-07
	US\$	US\$	US\$
Loss for the period	(2,430,045)	(12,261,050)	(14,683,306)
TOTAL RECOGNISED INCOME AND EXPENSE	(2,430,045)	(12,261,050)	(14,683,306)

Anglo Asian Mining PLC

Group Balance Sheet

As at 30 June 2008

	Note	Unaudited As at 30-Jun-08 US\$	Unaudited As at 30-Jun-07 US\$	Audited As at 31-Dec-07 US\$
ASSETS				
Non current assets				
Intangible assets	3	49,872,932	49,028,247	49,727,700
Property, plant and equipment		9,449,204	1,027,853	1,242,048
Fixed assets held for resale		-	7,000,000	-
TOTAL NON CURRENT ASSETS		59,322,136	57,056,100	50,969,748
Current assets				
Trade and other receivables		861,715	516,283	444,514
Cash and cash equivalents		3,693,207	2,478,864	6,810,902
TOTAL CURRENT ASSETS		4,554,922	2,995,147	7,255,416
TOTAL ASSETS		63,877,058	60,051,247	58,225,164
LIABILITIES				
Current liabilities				
Trade and other payables		(4,264,807)	(1,107,217)	(1,332,491)
Long-term liabilities				
Interest-bearing loans and borrowings	4	(4,596,868)	-	-
TOTAL LIABILITIES		(8,861,675)	(1,107,217)	(1,332,491)
NET ASSETS		55,015,383	58,944,030	56,892,673
EQUITY				
Called up share capital		1,821,221	1,782,605	1,792,015
Share premium account		30,700,460	30,279,301	30,387,514
Share-based payment reserve		2,063,355	-	1,852,752
Merger reserve		46,206,390	46,206,390	46,206,390
Profit and loss account		(25,776,043)	(19,324,266)	(23,345,998)
TOTAL EQUITY		55,015,383	58,944,030	56,892,673

Anglo Asian Mining PLC
Group cash flow statement

For the 6 months ended 30 June 2008

		Unaudited 6 months to 30-Jun-08	Unaudited 6 months to 30-Jun-07	Audited Year to 31-Dec-07
	Note	US\$	US\$	US\$
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	5	(1,734,804)	(2,565,741)	(4,308,710)
Investing activities				
Interest received		23,762	117,580	218,365
Purchases of property, plant and equipment		(5,858,289)	(90,560)	(421,470)
Expenditure on intangible assets		(145,232)	(1,336,517)	(2,035,970)
Net proceeds from sale of property, plant and equipment		-	-	7,004,585
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(5,979,759)	(1,309,497)	4,765,510
Financing activities				
Proceeds from borrowings		4,596,868	-	-
NET CASH FROM FINANCING ACTIVITIES		4,596,868	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,117,695)	(3,875,238)	456,800
CASH AND CASH EQUIVALENTS AT START OF PERIOD		6,810,902	6,354,102	6,354,102
CASH AND CASH EQUIVALENTS AT END OF PERIOD		3,693,207	2,478,864	6,810,902

Notes to the financial statements

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have not been audited and have been prepared on the historical cost basis. The principal accounting policies adopted are consistent with those adopted in the annual accounts to 31 December 2007.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from those estimates.

The financial statements have been prepared on the going concern basis, assuming the Group and the Company to continue as going concerns, and therefore realise their assets and extinguish their liabilities in the normal course of business at the amounts stated in the financial statements.

The interim report was approved by the Board of Directors on 26 September 2008.

2. Earnings per ordinary share

	Unaudited 6 months to 30-Jun-08	Unaudited 6 months to 30-Jun-07	Audited Year to 31-Dec-07
	US\$	US\$	US\$
Earnings per ordinary share			
Loss	(2,430,045)	(12,261,050)	(14,683,306)
Basic and diluted earnings per share	(2.42)	(12.36)	(14.80)
	Number	Number	Number
Weighted average number of shares: For basic and diluted earnings per share	100,382,269	99,171,800	99,224,823

Basic and diluted Earnings per Share are the same because the only outstanding share options are anti-dilutive as the Group has made a loss.

3. Intangible Assets

	Exploration and Evaluation	Mining Rights	Total
	US\$	US\$	US\$
As at 31 December 2007	7,802,438	41,925,262	49,727,700
Additions during the period	145,232	-	145,232
As at 30 June 2008	7,947,670	41,925,262	49,872,932

The additions during the period relate to Gedabek and Gosha.

4. Interest-bearing loans and borrowings

The Group has obtained a credit facility with the International Bank of Azerbaijan of \$5 million repayable after three years, expiring on 14 January 2011, with an interest rate of up to 15%. Repayments in equal monthly instalments are due from February 2010. As at 30 June 2008, the Group had drawn down \$4,066,899 of this credit facility.

The International Bank of Azerbaijan has also agreed a credit facility of \$20 million at an all inclusive interest rate of 15%. The facility agreement is four years from 15 February 2008 with a two year grace period to repay the monies loaned. In 2010, \$8 million is due to be repaid in quarterly instalments, and in 2011 \$5 million and \$7 million are repayable in March and June respectively. There is no penalty for early repayment. As at 30 June 2008, the Group had drawn down \$529,969 of this credit facility.

5. Reconciliation of operating loss to the cash outflow from operations

	Unaudited 6 months to 30-Jun-08	Unaudited 6 months to 30-Jun-07	Audited Year to 31-Dec-07
	US\$	US\$	US\$
Operating loss	(2,453,807)	(12,378,630)	(14,901,671)
Adjustments for:			
Depreciation of property, plant and equipment	151,133	92,457	209,172
Loss on disposal of property, plant and equipment	-	-	(4,585)
Share-based payment expenses	210,603	233,239	486,515
Write-down of fixed asset held for sale	-	-	3,273,887
Shares issued in exchange for salaries	342,152	-	117,623
Increase in provisions	-	9,966,105	6,692,218
Operating cash flows before movements in working capital	(1,749,919)	(2,086,829)	(4,126,841)
Increase in trade and other receivables	(417,201)	(345,676)	(273,907)
Increase/(decrease) in trade and other payables	432,316	(133,236)	92,038
Cash used in operations	(1,734,804)	(2,565,741)	(4,308,710)
Income taxes paid	-	-	-
Net cash used in operating activities	(1,734,804)	(2,565,741)	(4,308,710)

