HAMBLEDON MINING PLC

Interim results to 30 June 2009

17 September 2009

Hambledon Mining Plc ("Hambledon" or the "Company"), the AIM listed gold mining company based in Kazakhstan, announces today its interim results for the six months to 30 June 2009. No dividend was declared.

Highlights:

- Interim loss reduced to £1.3m (loss 6 months to 30 June 2008: £3.4m, loss for year to 31 December 2008: £7.6m).
- Positive operating cash flow of £0.42m (outflow 6 months to 30 June 2008: £3m, outflow for year to 31 December 2008: £3.9m).
- Gold production from Sekisovskoye was 9,413 ounces.
- Second quarter gold production 86% higher than first quarter.
- Overall production trend continues towards initial design rate.
- 20% processing capacity increase achieved.
- Spares inventory substantially improved.
- Capital expenditure amounted to £0.86m.

Enquiries:

Hambledon Mining: Telephone +44 (0) 207 233 1462
Charles Zorab

Fairfax I.S. PLC: Telephone +44 (0) 207 598 5368
Nominated Adviser and Broker
Ewan Leggat

CHAIRMAN'S STATEMENT

I am pleased to report to shareholders for the six months to 30 June 2009.

Review of 2009 to date

Despite the production problems previously reported which affected the first half of this year, the Company made a positive cash flow from operations of £0.42m. The loss for the six months was also reduced considerably to £1.3m. Considerable capital was spent on the installation of the new secondary crusher and the construction of the second tailings storage facility, together amounting to £0.82m while at the same time, the Company has increased its inventory of spare parts which will help reduce the amount of down time due to small breakages etc.

Gold production in the first half was 9,413 ounces and silver 20,447 ounces. For both, second quarter production was considerably higher than the first quarter and is likely to increase still further in the second half of the year. As scheduled in the mine plan, the stripping ratio was high at over 5:1 but will gradually decline after February 2010 as the pit is mined below surrounding ground level.

Changes made during the first half of the year, principally to the crushing plant, have increased the processing capacity to some one million tonnes per year, 20 per cent. above the designed level. Mine output has similarly been raised by the acquisition of a third excavator which began operating in the second half of August, allowing mine production to complement the increased processing capacity. Until now, overall production has been restrained by unscheduled maintenance and repair stoppages but we are confident that the changes already made to the process plant and the build up of spare parts will reduce these stoppages to more normal levels and allow the potential of the plant to be fulfilled.

The application for approval by the authorities for the first phase of underground mine development has been submitted. Images taken from the submitted plans will be available on the Company's website, www.hambledon-mining.com.

Outlook

During the final quarter of this year we expect to achieve a further step change in our performance towards our initial target of 40,000 ounces per year as an average over the life of the open pit mine and to continue preparations for the underground project which should eventually bring our annual production to over 100,000 ounces. Cash flow from operations, already positive in our first half year, is likely to grow strongly.

George Eccles
16 September 2009

REVIEW OF OPERATIONS

SEKISOVSKOYE

Safety
The first half of the year showed an excellent safety performance with no major incidents or injuries reported. The company undertakes regular training and safety programmes to maintain this performance.

Mining
Mining operations were focused in the first half of the year on development of the 'Main Pit'. At the end of the period, the pit had been developed down to the 455 metre level, some 20 metres above surrounding ground level. The pit will continue to widen until it reaches the final pit rim at the 435 level, at which point the waste stripping ratio will be at its highest, around the end of 2009, and will fall thereafter. The current high level of waste stripping, together with unsatisfactory performance and long spare part lead times of the western procured drill rigs and excavators, made it difficult to maintain sufficient ore production to keep up with the capacity of the upgraded processing plant. From April until early August the deficit was met by treating low grade ore, which had the effect of reducing the average grade treated. To overcome this deficit, a third excavator, a Kraneks EK 450FS, was purchased which started operating in mid-August. The addition of this machine and the hire of additional mining trucks have increased mining volumes by 20 per cent. and thus reduced the amount of low grade ore that has to be treated. Productivity has also been increased by the hiring of a mining consultant who has worked with our operators to introduce best work and maintenance practices to maximise the utilisation of our equipment.

Construction of the second tailings storage facility progressed during the first half of the year and is now nearing completion. Due to the limited capacity of our mining fleet, this construction was carried out by civil earthworks contractors. The current storage facility, facility 1, was completed in mid 2008, and will be filled by mid 2010. Construction of the second tailings storage facility was carried out early as the clay lining cannot be installed during freezing winter weather. It will provide tailings storage through to the end of 2011, and construction of a third tailings storage facility will commence in 2010.

Processing
The operation of the processing plant during the first half of the year showed a step change in performance following the installation of the new secondary crusher. Output from the plant up to this time had been restricted by the ability of the crushing circuit to provide sufficient crushed ore. In addition to the installation of the new crusher, a contract metallurgist was employed for a period of four months to assist our local technical staff to improve operating and maintenance practices and procedures. These two events saw the crushing circuit increase from producing approximately 50,000 tonnes per month to over 80,000 and the size of the crushed product reduced from 20 mm to 16 mm. This then allowed the mills to be operated at a much higher throughput than had previously been achieved.

At the end of the half year, the process plant was operating at an ore tonnage throughput some 15 per cent. above the original design specification, and it is thought that with the replacement of the tailings line, to be completed later this month, an additional 5 per cent. can be achieved. Until now, production has been curtailed by frequent stoppages caused mostly by design failings in the crushing plant and long lead times for certain spare parts. In late August and early

September we lost some production due to repairs and maintenance to the bearings of the jaw crusher and mills. The new installations, improved maintenance practices, and the build up of spare parts shown to be necessary either by operating experience or known long lead times should now produce a significant improvement in overall plant availability.

Metallurgical recovery of gold at 80.4% was below the 92 per cent. target indicated by testwork but this was influenced by the lower grade material being fed to the plant, from which a lower recovery is expected.

The plant was enhanced with the commissioning of the tailings thickener as well as the addition of a third electrowinning cell to the gold circuit. The former, together with a reduction in cyanide concentrations, has reduced cyanide costs substantially in recent months.

Underground development

Work in the first half of the year concentrated on producing the documentation for the first phase of underground development that is required to obtain government approval to commence underground activity. This was submitted in August with approval expected toward the end of 2009. A review of the cost and availability of underground mining equipment has shown that there has been a reduction in price and a decrease in lead times. It is anticipated that the cash flow from the open pit operation will have increased to a point in late 2009 where orders can be placed for equipment to be delivered in early 2010. The option of an earlier commencement of the development of the surface decline using mining contractors is being evaluated.

OGNEVKA

Ognevka remains on care and maintenance pending improving industrial mineral prices. Other options for the use of this versatile plant are also being considered.

EXPLORATION

Exploration for the first half of the year focused on research of known gold occurrences in the East Kazakhstan region and evaluation of their data. In addition, planning of the development of a test pit at Tserkovka to generate a bulk sample for metallurgical test work was finalised. It is expected that this will be carried out in September.

Condensed group income statement
Six months ended 30 June 2009

	Note	Six months to 30 June 2009 (unaudited) £000	Six months to 30 June 2008 (unaudited) £000	Year ended 31 December 2008 (audited) £000
Revenue		5,667	828	5,553
Cost of sales		(5,300)	(2,453)	(7,727)
Gross profit/(loss)		367	(1,625)	(2,174)
Administrative expenses		(1,408)	(1,686)	(3,154)
Other operating expenses				
Impairment of TOO Ognevka		-	-	(1,679)
Operating loss		(1,041)	(3,311)	(7,007)
Investment revenues		-	24	42
Other gains and losses		75	(77)	3
Finance costs		(109)	(51)	(101)
Loss before taxation		(1,075)	(3,415)	(7,063)
Taxation		(250)	(10)	(561)
Loss attributable to equity shareholders	3	(1,325)	(3,425)	(7,624)
Loss per ordinary share				
Basic	4	(0.28)p	(0.76)p	(1.65)p
Diluted	4	(0.28)p	(0.76)p	(1.65)p

Condensed group statement of recognised income and expense
Six month ended 30 June 2009

	Six months to 30 June 2009 (unaudited) £000	Six months to 30 June 2008 (unaudited) £000	Year ended 31 December 2008 (audited) £000
Currency translation differences on foreign currency net investments	(4,183)	(28)	4,751
Net (loss) / profit recognised directly in equity	(4,183)	(28)	4,751
Loss for the period	(1,325)	(3,425)	(7,624)
Total recognised expense for the period attributable to equity shareholders	(5,508)	(3,453)	(2,873)

Condensed group balance sheet
30 June 2009

	30 June 2009 (unaudited) £000	30 June 2008 (unaudited) £000	31 December 2008 (audited) £000
Non-current assets			
Property, plant and equipment	16,204	17,995	20,361
Current assets			
Inventories	2,882	2,335	3,393
Trade and other receivables	1,468	1,559	1,638
Cash and cash equivalents	116	1,717	536
	4,466	5,611	5,567
Total assets	20,670	23,606	25,928
Current liabilities			
Trade and other payables	(1,455)	(1,121)	(1,626)
Provisions	(141)	(117)	(161)
Borrowings	(503)	-	(356)
	(2,099)	(1,238)	(2,143)
Net current assets	2,367	4,373	3,424
Non-current liabilities			
Trade and other payables	(629)	(575)	(629)
Deferred taxation	(811)	-	(561)
Provisions	(983)	(825)	(1,004)
	(2,423)	(1,400)	(2,194)
Total liabilities	(4,522)	(2,638)	(4,337)
Net assets	16,148	20,968	21,591
Equity			
Called-up share capital	469	469	469
Share premium	31,317	31,317	31,317
Merger reserve	(148)	(148)	(148)
Other reserves	236	127	170
Currency translation reserve	(480)	(1,150)	3,629
Accumulated losses	(15,246)	(9,647)	(13,846)
Total equity	16,148	20,968	21,591

Condensed group cash flow statement
Six months ended 30 June 2009

	Six months to 30 June 2009 (unaudited) £000	Six months to 30 June 2008 (unaudited) £000	Year ended 31 December 2008 (audited) £000
Net cash inflow/(outflow) from operating activities	417	(3,064)	(3,895)
Investing activities			
Interest received	-	26	42
Proceeds on disposal of property, plant and equipment	-	-	61
Purchase of property, plant and equipment	(858)	(1,050)	(2,123)
Net cash used in investing activities	(858)	(1,024)	(2,020)
Financing activities			
Proceeds on issue of shares	-	2,631	2,631
Interest paid	(51)	-	-
New bank loans raised	147	-	356
Net cash inflow from financing activities	96	2,631	2,987
Decrease in cash and cash equivalents	(345)	(1,457)	(2,928)
Cash and cash equivalents at beginning of the period	536	3,176	3,176
Effect of foreign exchange rate changes	(75)	(2)	288
Cash and cash equivalents at end of the period	116	1,717	536

Notes to the interim condensed group financial statements
Six months ended 30 June 2009

1 *General information*

These interim group financial statements are for the six months ended 30 June 2009 and are unaudited. The information for the year ended 31 December 2008 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The financial information for the year ended 31 December 2008 has been extracted from the statutory accounts of Hambledon Mining plc ("the Group") for that year that were prepared under United Kingdom Law and International Financial Reporting Standards (IFRS) adopted by use by the European Union. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under Section 237(2) or (3) of the Companies Act 1985.

2 *Accounting policies*

The interim group financial statements have been prepared using the accounting policies set out in the statutory accounts for Hambledon Mining plc for the year ended 31 December 2008. These accounting policies comply with International Financial Reporting Standards (IFRS) adopted by use by the European Union

3 *Dividend*

The directors do not recommend the payment of a dividend.

4 *Loss per ordinary share*

The calculation of basic and diluted earnings per share is based upon the retained loss for the financial period.

The weighted average number of ordinary shares for calculating the basic loss per share and diluted loss per share after adjusting for the effects of all dilutive potential ordinary shares are as follows:

	Six months to 30 June 2009 (unaudited)	**Six months to 30 June 2008 (unaudited)**	**Year ended 31 December 2008 (audited)**
Basic and diluted	469,189,233	452,737,597	461,031,025

5 *Approval of interim group financial statements*

The interim group financial statements for the six months to 30 June 2009 were approved by the directors on 16 September 2009.