HAMBLEDON MINING PLC

Interim Results to 30 June 2008

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 2008.

Highlights:

- Initial production of gold doré from Sekisovskoye
- Boiler accident caused 10 week plant shutdown
- Production progressing towards initial design rate
- Capacity increase planned
- Ognevka testwork continuing, development deferred pending build up of cash reserves
- Placing in May raised £2.77m before expenses
- Interim loss £3.4m (loss 6 months to 30 June 2007 £1.0m; loss for year to 31 December 2007 £4.4m)

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CHAIRMAN'S STATEMENT

I am pleased to report to shareholders for the 6 months to 30 June 2008.

The period under review was overshadowed by the boiler accident which occurred in February. This resulted in a shutdown of operations for approximately ten weeks. During this period, safety consultants undertook a complete review of the process plant, a replacement boiler was purchased and installed and additional staff training took place. Inevitably, this involved considerable extra costs for the Company at a time when there was no revenue and contributed significantly to the interim loss to end June 2008 of £3.4m (loss £1.0m 6 months to end June 2007; loss £4.4m for 12 months to end December 2007).

Since production re-commenced in late April, there have been a number of teething problems which have slowed the Company's progress towards full, targeted production. These problems have been and are being addressed. Confidence in your Company was displayed in May this year when £2.77m gross was raised in a private share placing to institutional investors.

We are making progress in the second half of 2008 towards our initial annualised production target of 40,000 ounces of gold. By the end of the year, equipment will have been ordered for the commencement of the underground operations at Sekisovskoye which will open up an exciting new development for the Company.

I would like to thank all stakeholders in the Company for their perseverance and support in what has been an exceptionally difficult period.

George Eccles
17 September 2008

REVIEW OF OPERATIONS

SEKISOVSKOYE

Start Up

The process plant was started in December 2007 and experienced minor teething problems that are common in a commissioning process. To begin with, the two main ball mills had to be shut down as a result of overheating of the discharge end bearings due to slight misalignment. There were also some problems with the crusher.
Then in February, there was a tragic explosion of the elution boiler in the desorption circuit resulting in one fatality. The plant was stopped immediately while the cause of the accident was thoroughly investigated. Damage to other parts of the plant was limited.
Boiler consultants were employed to oversee the design, specification and installation of the new boiler and associated equipment. This was sourced from Russia and installed in April. During the shutdown, a complete safety review of the plant was

undertaken by specialist consultants and further training in safety procedures was given to Company staff. Throughout this period, a full workforce was maintained to ensure availability of sufficient staff once production re-commenced. Mining operations were suspended until early May as a build up of stockpiled ore was already on hand.

At the time of restarting operations, it was believed that the problems in the crushing circuit had been rectified. This was premature and in fact they continued longer than expected, partly due to the presence of some clay-like material in the near-surface ore which was causing blockages, and partly due to inadequacies in the crushing circuit itself. The decision was made to crush to only 20mm size instead of the planned 12mm. Notwithstanding this oversize material, the ball-mills have proven capable of milling to the required particle size at the design throughput rate. The crushing circuit itself will be improved shortly by the addition of a fourth cone crusher which will enable all material to be crushed to 12mm, whereupon it is expected that the crushing and milling sections will be capable of higher than anticipated throughput. The Falcon concentrator was commissioned in the second week of June and the second tailings dam was commissioned in September 2008.

Recovery rates are currently lower than expected from the plant and, having resolved the crushing and milling circuit problems, changes are already being implemented that should improve recovery rates significantly.

Consideration is being given to the addition of a seventh leach tank, for which space and foundations have already been made in the existing building, which would provide further leaching capacity to match the anticipated increase in output from the crusher and mills.

Underground

The Company has completed a preliminary study into the feasibility of underground mining, using the resource model compiled by the Company's independent geological consultants and design inputs from AMC Consultants.

The study was carried out on the largest 34 ore bodies contained in only a small part of the overall underground resource for which adequate data exists to facilitate mine planning. Although a detailed reserve has not yet been formalised, the study indicated that within the limited zones studied, an estimated 2.9 million tonnes could be mined at a diluted grade of 4.7 grammes per tonne. Within the open pit zones, an uplift in grades of around 20% has been experienced compared with former Soviet exploration results and it is likely that a similar uplift will be obtained underground, giving a diluted grade of between 5 and 6 grammes per tonne. Based on the Soviet grades, this gives a total contained gold of about 430,000 ounces. Mine planning for the large amounts of inferred resource not covered by the study will be carried out after further drilling has been carried out. Output from underground is likely to be in the region of 500,000 tonnes per annum, giving a mine life of some 6 years from these initial zones. The Company plans to start mining from underground in partial substitution for open pit production as soon as possible. Ore from underground is similar in character to open pit ore and will be treated in the same process plant. Owing to its higher grade, this will result in a significant increase in gold output. We expect to order the first equipment for underground operations by the end of this year. The initial cash outlay is likely to be of the order of $3m, which will be financed internally and, if necessary, with debt. Full development of the underground mine is likely to involve a capital cost of some $17m, though this will be undertaken in stages and is also likely to be financed from retained profits and, if necessary, debt finance.

Exploration

Work continues on both our licence areas amounting to some 21 square kilometres, and on the acquisition of new licence areas.

Ognevka

Lower than anticipated recoveries from the treatment of the zinc clinker have not been resolved. The Company is currently undertaking test programmes into how recoveries may be improved and, separately, into the treatment of the large resource of pegmatite tailings, of which 1.6 million tonnes is owned by the Company. It has been decided that, with limited resources, development work at Ognevka should be limited until a more substantial cash reserve has been accumulated. None the less, Ognevka represents a significant opportunity we look forward to exploiting in due course.

Corporate

21,269,614 new ordinary shares were placed in May 2008, mainly to financial institutions, raising £2.77m before expenses, to provide working capital during the shutdown and restart of operations.

At the Annual General Meeting in July, new article of association were adopted which brings them into line with changes introduced in the Companies Act 2006.

In addition to his other responsibilities, Neil Stevenson has become director in charge of mine and plant safety. Neil has been approved as having the qualifications and knowledge to carry out this function by the appropriate departments in Kazakhstan responsible for emergencies and industrial safety.

Six months ended 30 June 2008

	Note	Six months to 30 June 2008 (unaudited) £000	Six months to 30 June 2007 (unaudited) £000	Year ende 31 December 20 (audite £0
Revenue		828	-	
Cost of sales		(2,453)	-	
Gross loss		(1 ,625)	-	
Administrative expenses		(1,686)	(846)	(4,15
Other operating expenses:				
Impairment of intangible assets		-	(174)	(22
Operating loss		(3 ,311)	(1 ,020)	(4,37
Investment revenues		24	165	2
Other gains and losses		(77)	(88)	(4
Finance costs		(51)	(51)	(18
Loss on ordinary activities		(3 ,415)	(994)	(4,38
Income tax expense		(10)	-	
Loss on ordinary activities attributable to equity shareholders	3	(3,425)	(994)	(4,38
Loss per ordinary share				
Basic	4	(0.76)p	(0.24)p	(1.04
Diluted	4	(0.76)p	(0.24)p	(1.04

Condensed group statement of recognised income and expense
Six months ended 30 June 2008

	Six months to 30 June 2008 (unaudited) £000	Six months to 30 June 2007 (unaudited) £000	Year ended 31 December 2007 (audited) £000
Currency translation differences on foreign currency net investments	(28)	263	(15)
Net (loss) / income recognized directly in equity	(28)	263	(15)
Loss for the financial period	(3,425)	(994)	(4,383)
Total recognised expense for the financial period attributable to equity shareholders	(3,453)	(731)	(4,398)

Condensed group balance sheet
30 June 2008

	30 June 2008 (unaudited) £000	30 June 2007 (unaudited) £000	31 December 2007 (audited) £000
Non-current assets			
Property, plant and equipment	17,995	16,229	17,424
Current assets			
Inventories	2,335	922	2,395
Trade and other receivables	1,559	1,304	822
Cash and cash equivalents	1,717	5,977	3,176
	5,611	8,203	6,393
Total assets	23,606	24,432	23,817
Current liabilities			
Trade and other payables	(1,121)	(1,632)	(723)
Provisions	(117)	(117)	(117)
	(1,238)	(1,749)	(840)
Net current assets	4,373	6,454	5,553
Non-current liabilities			
Trade and other payables	(575)	(536)	(453)
Provisions	(825)	(717)	(774)
	(1,400)	(1,253)	(1,227)
Total liabilities	(2,638)	(3,002)	(2,067)
Net assets	20,968	21,430	21,750
Equity			
Called-up share capital	469	424	448
Share premium account	31,317	24,777	28,707
Merger reserve	(148)	(148)	(148)
Accumulated losses	(10,670)	(3,623)	(7,257)
Total equity	20,968	21,430	21,750

Condensed group cash flow statement
Six months ended 30 June 2008

	Six months to 30 June 2008 (unaudited) £000	Six months to 30 June 2007 (unaudited) £000	Year ended 31 December 2007 (audited) £000
Net cash outflow from operating activities	(3,064)	(1,048)	(5,387)
Cash flows from investing activities			
Interest received	26	160	222
Purchase of intangible exploration assets	-	(22)	(75)
Purchase of property, plant and equipment	(1,050)	(4,987)	(7,705)
Net cash used in investing activities	(1,024)	(4,849)	(7,558)
Cash flows from financing activities			
Proceeds from issue of share capital	2,631	8,145	12,099
Interest paid	-	(6)	(18)
Repayment of related party loan	-	(290)	(290)
Net cash inflow from financing activities	2,631	7,849	11,791
Net (decrease) / increase in cash and cash equivalents	(1,457)	1,952	(1,154)
Cash and cash equivalents at beginning of the period	3,176	4,352	4,352
Effect of foreign exchange rate changes	(2)	(327)	(22)
Cash and cash equivalents at end of the period	1,717	5,977	3,176

Notes to the interim condensed group financial statements
Six months ended 30 June 2008

1. General information

These interim group financial statements are for the six months ended 30 June 2008 and are unaudited. The information for the year ended 31 December 2007 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The financial information for the year ended 31 December 2007 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 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 2007. 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 2008 (unaudited)	**Six months to 30 June 2007 (unaudited)**	**Year ended 31 December 2007 (audited)**
Basic and diluted	452, 737, 597	414 ,005 ,611	442 ,403 465

5. Approval of interim group financial statements

The interim group financial statements for the six months to 30 June 2008 were approved by the Directors on 17 September 2008.