

2 July, 2003

AUSTRALIAN STOCK EXCHANGE AND MEDIA RELEASE

SEPON PROJECT – 80% OXIANA, 20% RIO TINTO

GOLD EXPLORATION — CONTINUED SUCCESS

Drilling at several near mine prospects continues to highlight potential for an increase of the Sepon gold resource/reserve inventory ahead of a forthcoming expansion study.

As part of Oxiana's strategy to maximise the potential of the Sepon mineral field, a four rig drill program is in progress to extend existing deposits, upgrade resource confidence and delineate new near mine resources.

This release covers the most recent drill results from the Luang, Vang Ngang and Phavat prospects (see attached plan). To date, about 60 per cent of the near-mine budgeted oxide program has been completed. Further drilling to complete the program and begin testing the sulphide resources will follow the current wet season. Meanwhile, resource estimation work has commenced ahead of a gold project resource update scheduled for late August 2003.

Infill and extension drilling will continue during the wet season at all current gold deposits and on the western high grade zone of the Khanong copper deposit.

Luang Prospect

The Luang prospect comprises a large gold-in-soil anomaly located 500 metres to the north-west of the Discovery gold deposit (currently being mined). Oxiana reported promising exploration drilling results from this prospect in late 2002 (ASX release 9th October 2002). Recent follow up drilling to delineate resources confirmed the continuity of high grade gold mineralisation in both the near surface oxide environment and down dip in the primary zone. Better results include:

Hole No.	Easting	Northing	Azi/Inc	Depth from (m)	Mineralised Interval*(m)	Au Grade (g/t)**
DIS613	605850	1876975	180/-60	Surface	22	7.4
DIS614	605875	1876975	180/-60	Surface	9	5.9
DIS615	605900	1877000	180/-60	Surface	9	3.0
and				47	4	8.1
DIS617	605925	1877000	-60/125	15	6	6.0
DIS622	605915	1876975	-60/180	23	4	3.8
DIS623	605900	1876950	-60/180	Surface	12	2.2
DIS625	605850	1876950	-60/180	4	24	5.9
Including				9	5	21.6
DIS628	605925	1876950	-60/180	Surface	13	7.8

* Interpreted to approximate true thickness. ** Fire assay; weighted averages of approximate 1 metre sample intervals; 0.5g/t lower cut, no top cut; max 2m internal waste

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While further drilling is required to fully delineate the broader potential of the prospect, resource estimation is underway on the southern part of the prospect where near surface oxide resources are evident.

Vang Ngang Prospect

The Vang Ngang prospect covers an area of 2km x 1km approximately 1.5km south-east of the Sepon gold plant. Extensive gold-in-soil anomalies are associated with near surface supergene enrichment above sub-vertical structures. Oxiana has been progressing resource definition drilling at the Vang Ngang prospect during the first half of 2003 with earlier drill results reported in January (ASX release 21st January 2003) and April (ASX release 1st April 2003). Better results from recent holes include:

Hole No.	Easting	Northing	Azi/Inc	Depth from (m)	Mineralised Interval (m)*	Au Grade (g/t)**
VNG052	608350	1873300	360/-60	Surface	4	2.2
VNG061	607450	1873400	180/-60	25	5	1.8
VNG063	607450	1873350	180/-60	19	7	2.2
VNG065	607450	1873300	180/-60	10	5	7.5
VNG066	607700	1873400	180/-60	Surface	6	1.6
VNG068	607700	1873500	180/-60	33	24	6.7
Including				41	2	37.1
VNG069	607700	1873525	180/-60	56	2	6.1
VNG071	607750	1873525	180/-60	13	6	1.9
and				30	2	4.0
				55	6	2.0
VNG079	607800	1873525	180/-60	32	6	1.8
VNG083	607850	1873575	180/-60	14	7	8.3
VNG090	607425	1873250	090/-60	18	3	2.5
VNG096	607550	1872800	360/-60	7	19	2.9
Including				19	2	10.3
VNG097	607550	1872725	360/-60	14	4	1.7
				34	4	3.0
				50	2	3.3
VNG099	608200	1873325	360/-60	19	6	2.7
VNG109	608150	1873300	360/-60	7	4	5.7
VNG117	607600	1873525	180/-60	9	5	2.4

* Interpreted to approximate true thickness. ** Fire assay; weighted averages of approximate 1 metre sample intervals; 0.5g/t lower cut, no top cut; max 2m internal waste

Results received for scout holes VNG097 and VNG099 (see above), drilled 300 metres south of the main area of interest, clearly indicate further work is required to fully evaluate the potential of Vang Ngang. The prospect remains open.

Phavat Prospect

The Phavat prospect comprises a large gold soil anomaly located approximately 10km west of the Sepon gold plant. As reported in April (ASX release 1st April 2003), wide intervals of low grade (0.5-1g/t Au) gold mineralisation from surface are common across the prospect. Some of the better recent results include:

Hole No.	Easting	Northing	Azi/Inc	Depth from (m)	Mineralised Interval (m)*	Au Grade (g/t)**
VAT062	595700	1873550	180/-60	5	8	3.6
VAT065	595800	1873575	180/-60	Surface	4	1.9
VAT075	595900	1873300	360/-60	2	1	5.1
VAT080	596000	1873450	360/-60	Surface	10	4.3
VAT094	595350	1873550	180/-60	3	18	2.6
VAT097	595350	1873700	180/-60	Surface	16	1.5
VAT100	595251	1873650	180/-60	77	9	5.7

* Interpreted to approximate true thickness. ** Fire assay; weighted averages of approximate 1 metre sample intervals; 0.5g/t lower cut, no top cut; max 2m internal waste.

Drilling at all three prospects will continue following the wet season.

Owen L. Hegarty.
Managing Director

Note: Within this statement references to resources and exploration results have been approved for release by Tony Manini B.Sc (Hons), F.Aus.IMM who has more than five years experience in the field of activity concerned and is a Competent Person as defined by the JORC Code.

SEPON EVALUATION DRILLING

SECTION

SECTION

SECTION

Oxide Gold Prospects
This Release

Near Mine Oxide
Gold Targets

Open Pit Resources

LUANG PROSPECT

Khanong
Copper

Mine Camp

Gold Plant

Thengkham Copper
Prospect

Thengkham
Porphyry

Pailan
Porphyry

PHAVAT PROSPECT

VANG NGANG
PROSPECT

Gold Soil Geochemistry

5 Km

