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MUNALI NICKEL PROJECT DELIVERS FIRST CONCENTRATE

HIGHLIGHTS

- The first nickel-copper-cobalt-PGM concentrate has been produced at Munali.
- This marks a major milestone in the project's development and the transition of Albidon to the ranks of nickel producers.
- Following construction of the Munali concentrator, crushed ore has been fed successfully through the entire processing circuit.
- Saleable Ni-Cu-Co-PGM concentrate is currently being stockpiled ahead of collection for smelting by Jinchuan Group.
- The focus at Munali is now to complete commissioning of the concentrator and increase concentrate production to full capacity by the beginning of 2009.

Munali Nickel Project

Albidon's 100% owned Munali Nickel Project is located approximately 60 kilometres south of Zambia's capital city Lusaka. Following a positive Bankable Feasibility Study completed in July 2006, initial site works commenced upon receipt of all required approvals in September 2006. Underground development intersected the Enterprise orebody in January 2008.

Achievement of Key Project Milestones and Production of First Concentrate at Munali

Production of nickel ore from the Enterprise orebody commenced in January 2008, some two months ahead of schedule. The mined ore stockpile is now sufficient for approximately three months of processing through the mill and concentrator circuit at Munali.

Hot commissioning of the crushing circuit, which commenced in April 2008, was completed with Albidon taking possession of the crushing circuit from the construction contractor in May 2008.

Hot commissioning of the mills and flotation circuit commenced in mid-June, with concentrate first processed through the flotation circuit and thickeners last week. First concentrate was processed through the Larox filter and delivered to the storage shed on Friday 27th June.

This schedule has met the overall project target of first concentrate production in June/July 2008, as originally envisaged when the Project was approved for development in September 2006.

Production of first concentrate at Munali is an exceptional achievement and heralds the beginning of a new phase for Albidon as a nickel producing company, with cash flow commencing next month.

Forward Program

The focus at Munali is now to build up to full production of 1.2Mtpa of ore from the Enterprise mine to generate between 10,000 tpa and 10,500 tpa of nickel in a high quality Ni-Cu-Co-PGM concentrate. It is anticipated that full production at this expanded rate will be achieved in early 2009.

Mine and concentrator optimisation studies will be carried out on an ongoing basis as the Company builds up to full production at Munali.

If you have any queries please contact the Chief Financial Officer, Nicholas Day or Managing Director, Dale Rogers on +61 8 9211 4600 or email nickd@albidon.com.

Albidon's nominated adviser is RFC Corporate Finance Ltd, contact Stephen Allen +61 8 9480 2500.

Additional information may also be viewed on Albidon's website at www.albidon.com