

9 December 2009

ZincOx Resources plc
("ZincOx" or "the Company")

Jabali Debt Financing Update

ZincOx announced on 2 October 2009 that a default event had occurred under the \$120 million bond facility raised by the Company's 52% owned Jabal Salab Company (Yemen) Limited ("Jabal Salab") to be utilised in the construction of the Jabali mine and plant. On 18 November 2009 the Company announced that ZincOx and Jabal Salab had signed a Standstill Agreement with the bond holders.

An agreement in principle has now been reached with the majority of bond holders that in return for the funds in the Jabal Salab accounts and an additional payment of US\$10 million (US\$5.2m from ZincOx and US\$4.8m from Ansan Wifks), the security over the shares in Jabal Salab will be released by the bond holders and the bonds will be terminated along with all rights attaching to them, including the ZIPPO bonus payments. There is approximately US\$96 million in the Jabal Salab accounts which means that the bond holders will receive around 80 cents for each dollar invested.

ZincOx's first priority will be to finalise a settlement and complete the necessary documentation with all the bond holders so that new financing can be put in place as soon it has been arranged. At the same time Ansan and ZincOx will work together on the arrangement of alternative finance in order to enable the completion of the project with the minimum of delay. Site work at Jabali is proceeding with the construction of foundations and other civil engineering works being well advanced, but the rate of development has been slowed pending the arrangement of new financing. The completion date for the project will, therefore, be delayed by the time required to put the new financing in place.

Commenting on this latest development, Andrew Woollett, Executive Chairman of ZincOx said, "Whilst it is disappointing that the bond holders have decided to withdraw from the project, Jabali remains an excellent project with operating costs expected to be among the lowest in the industry. The attractive economics of the project allow us to consider a broad range of financing options."

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