

Quarterly Report

for the three months ending 31 December 2007

Highlights

	Dec Qtr 07	Full Year 2007
Gold produced at Sepon	20,598oz	102,390oz
Gold produced at Golden Grove	7,280oz	48,807oz
Silver produced at Sepon	15,328oz	144,648oz
Silver produced at Golden Grove	713,574oz	3,165,408oz
Average received Gold Price	US\$795/oz	US\$699/oz
Copper produced at Sepon	16,304t	62,541t
Average LME Cash Copper Price	US\$3.26/lb	US\$3.23/lb
Copper produced at Golden Grove	956t	15,404t
Zinc produced at Golden Grove	34,993t	131,954t
Average LME Cash Zinc Price	US\$1.19/lb	US\$1.47/lb

- Annual production and cost forecasts met at Sepon.
- Zinc marginally below target at Golden Grove.
- Prominent Hill development progresses well and remains on schedule.
- Sepon copper plant to be expanded.
- Development of the Martabe gold project in Indonesia approved.

Sepon Copper

- Sepon copper production achieved a record for the quarter with 16,304t produced and 62,541t produced for the year.
- Approval was given for the Sepon copper operation to be expanded to a nameplate capacity of 80,000t/a, with first expanded production in 2010.
- High grade primary copper intersections were returned from Thengkhram South including 29m at 5.5% Cu and 15.6m at 5.4% Cu.

Sepon Gold

- Sepon gold production was as forecast with 102,390oz produced for the year.
- Resource drilling has confirmed a new oxide deposit at Houay Yeng.

Golden Grove

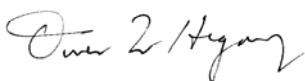
- Zinc production at Golden Grove lower than expected.
- Copper mining was as planned and 15,404t produced for the year.

Prominent Hill

- A major project review saw the project on schedule but the capital cost estimate increase to \$1080 million.
- Work during the quarter progressed well with mining ahead of schedule and engineering and construction rates improving.
- Encouraging drilling results were returned more than 500m either side of the Prominent Hill pit including 50m at 1.8% Cu, 0.6g/t Au to the west and 71m at 2.3% Cu, 0.5g/t Au to the east.

Martabe

- Development of the Martabe gold mine in Indonesia was approved by the Oxiana Board.
- First production from a 200,000oz/a gold and 2Moz/a silver mine is expected in 2010.



Owen L. Hegarty
Managing Director and CEO
23rd January 2008

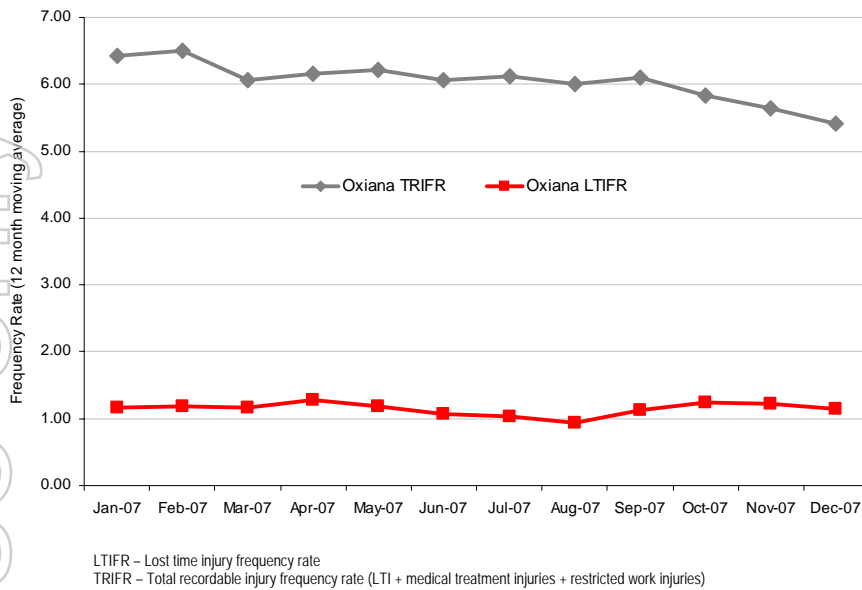


Figure 1. Oxiana Limited group safety performance year to date.

Safety

Safety performance as measured by the Total Recordable Injury Frequency Rate improved during the last quarter, finishing the year at 5.4. Although this was above the Group target of 4.8, it was a 10% improvement on 2006.

As a result of a sustained safety focus, performance at Sepon improved steadily over 2007 with decreases in both the Lost Time and Total Recordable Injury Frequency Rates.

Safety performance at Golden Grove was below expectations with increases in both LTIFR and TRIFR in 2007 compared with 2006. A number of serious injuries were sustained. The "Goal of Zero" training program for all front-line supervisors has been implemented to improve this performance.

At Prominent Hill, safety performance has been improving during the year in a challenging environment as the project progresses through construction into operations.

Sepon

Sepon - Copper

Mining and Production

Copper production was at record highs for the quarter and the year with 62,541t produced in 2007.

Good throughput rates and higher milled grades and recovery rates were responsible for the strong production despite an extended maintenance shutdown in October.

Copper sales were also at record levels during the quarter.

Production in 2008 is expected to be 60,000t to 65,000t.

Quarterly Copper Production Statistics Table 1

	Units	Dec Qtr 2007	Full Year 2007
Ore Mined	t	438,976	1,941,962
Grade	%	5.0	5.1
Strip Ratio	w/o	3.1	2.6
Ore Milled	t	284,717	1,225,020
Grade	%	6.3	5.7
Recovery	%	92.8%	91.2%
Production (Stripped)	t	16,304	62,541
Cathode Sold	t	16,465	62,846

Costs

Copper cash costs benefited from the higher production during the quarter but this did not fully offset higher operating costs resulting from higher energy costs.

Direct operating cash costs for 2008 are expected to be in the range of US72c/lb to US78c/lb.

Quarterly Sepon Copper Costs Table 2

All USc / lb*	Dec Qtr 2007	Full Year 2007
Direct Cash Costs	70	66
Market Premium	(4)	(4)
Royalties	14	14
Total Cash Costs	80	76
Depreciation & Amortisation	12	15
Rehabilitation	1	1
Total Production Costs	93	93

* Figures may not always add due to rounding.

Sepon Copper Expansion

In December 2007 the Oxiana Board approved expansion of the copper plant to 80,000 tpa cathode copper. The US\$178 million expansion will reduce cash costs by approximately 10% and be operating by 2010. Sufficient engineering progressed to allow order placement for the critical path items including CCD thickeners before year end.

In addition, the second autoclave project, which will improve the reliability of the plant and the throughput capability, progressed well with early tie-in works completed. Detailed engineering was nearing completion, all long lead orders were placed and autoclave progress inspections conducted. This project is on schedule to be completed in the first quarter of 2009.

Sepon Copper Exploration

Exploration activity increased during the quarter following the end of the wet season. Surface exploration programmes continued to generate new targets and up to 19 drill rigs were active on copper and gold exploration and resource drilling programs.

Resource drilling concentrated on detailed resource evaluation at the Thengkhamb South deposit with several high grade copper results returned. Recent results include:



Figure 2. Sepon gold and copper operation. Location of pits, resources and prospects.

Table 3

Hole	From (m)	Interval (m)	Cu (%)
TKM467	23	7	6.2
TKM470	32	5	6.9
TKM472	20	13	3.4
TKM474	22	11	6.3
TKM486	22.4	17.2	2.9
TKM493	69	15.6	5.4
TKM501	18	29	5.5

Cu: *intercepts are weighted averages calculated using a 0.5% copper cut-off grade; maximum internal waste is 2 metres*.

Resource models are being progressively updated and new estimates are expected to be completed in early 2008.

At Thengkham East, exploration drilling returned 5m at 2.8% Cu and 26m at 1.4% (primary) copper in areas of low drilling density.

These results from the recently enhanced primary copper search program highlight the potential for this style of mineralisation in the Sepon district. Immediate follow up drilling is planned.

Elsewhere in the district preliminary drilling at Songkham West intersected visible copper mineralisation; and rock chip samples from Boupaha returned up to 4.9 g/t Au and 0.44% Cu, further upgrading the potential of this nearby prospect.

Sepon - Gold

Mining and Production

Gold production exceeded forecasts with 102,390oz produced for 2007.

Mining was from Namkok East, Nalou and the Khanong 'gold cap'. Rates increased in the last quarter of 2007 due to higher equipment utilisation. This increased mining rate will continue in 2008 as the mined head grade declines.

Milling also increased with favourable ore textures being processed and high availability of the plant with improved maintenance.

Production in 2008 may decline marginally due to lower scheduled head grades but the target remains 90,000oz to 100,000oz at a direct operating cash cost of US\$450/oz to US\$500/oz. These costs will be higher than this average in the first three quarters of the year.

The current oxide gold reserves plus expected additions from existing and new resources such as Houay Yeng, and from transitional and stockpiled lower grade material, see oxide gold continuing potentially through 2010.

Drilling continues on the multiple gold targets at Sepon – both oxide and primary. The primary gold project is under review – further drilling is targeting more ounces; the recent gold price increase has a clear positive impact on project economics; and ideally the project can be scheduled to maximise the use of the existing gold production facilities and infrastructure.

Quarterly Sepon Gold Production Statistics Table 4

	Units	Dec Qtr 2007	Full Year 2007
Ore Mined	t	328,207	1,509,676
Grade	g/t	1.2	1.7
Strip Ratio	w/o	0.9	0.9
Ore Milled	t	650,830	2,160,551
Gold Grade	g/t	1.4	1.8
Silver Grade	g/t	4.6	8.4
Gold Recovery	%	81.4%	81.5%
Silver Recovery	%	16.1%	23.0%
Production			
Gold	oz	20,598	102,390
Silver	oz	15,328	144,648
Gold Sold	oz	27,585	104,322

* Production reported is gold poured.

Costs

The gold price received continued to increase throughout the quarter with an average of US\$811/oz. Direct operating costs of US\$517/oz were higher due to higher mined volumes and lower grades. Rehabilitation costs are negative for the quarter simply due to end of year adjustments.

Quarterly Sepon Gold Costs

Table 5

US\$ / oz	Dec Qtr 2007	Full Year 2007
Operating ⁽¹⁾	517	427
Refining & Transport	6	4
By Product Credit ⁽²⁾	(15)	(19)
Royalties	48	33
Total Cash Costs	556	445
Depreciation & Amortisation ⁽³⁾	141	232
Rehabilitation ⁽⁴⁾	(4)	7
Total Production Costs	693	685

1) All costs incurred by the site, including inventory changes, corporate charges and realised foreign exchange gains/(losses). Exploration and resource drilling expenditures are not included in mine site cash costs.

(2) Revenue from silver at spot price.

(3) Includes amortisation of the pre-production capital, and depreciation of mine operations capital expenditure, which includes exploration, resource drilling and sustaining capital.

(4) Provision for final site reclamation in addition to ongoing rehabilitation.

Figures may not always add due to rounding.

Sepon Gold Exploration

Resource definition drilling has confirmed the presence of a new oxide gold deposit at Houay Yeng. Step out drilling indicates mineralisation remains open down dip, and along strike to the north. Initial metallurgical test work indicates high recoveries are expected. Better recent results included:

Table 6

Hole	From (m)	Interval (m)	Au (g/t)
YNG118	72	9	2.1
YNG129	99	12.2	2.2
YNG132	92	6	5.8
YNG133	72	17.8	9.4
YNG135	82.2	9.3	2

Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste*.

At Pha Vat prospect, resource drilling returned positive results in both primary and oxide gold. Primary mineralisation remains open to the east and south. Several holes also intersected supergene copper mineralisation. Best intersections included:

Table 7

Hole	From (m)	Interval (m)	Cu (%)	Au (g/t)
VAT153	8	21	0.6	2
VAT155	23	21.5	0.4	1.7
VAT160	116	26.5	-	1.7
VAT170	12	8	-	8.6
VAT171	5	13	-	1.3
VAT183	9	6	0.7	4.8
VAT153	18	11	1.8	0.9
VAT155	23	7	2.3	0.9
VAT158	9.9	8.1	1.1	0.9

Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste*.

Cu: *intercepts are weighted averages calculated using a 0.5% copper cut-off grade; maximum internal waste is 2 metres*.

Recent drilling at Ban Mai indicates that the primary mineralisation is discontinuous but has potential for higher grade zones. Better intersections to date include:

Table 8

Hole	From (m)	Interval (m)	Au (g/t)
MAI085	71	4	3.1
MAI088	63	10	2.5
MAI093	6	4	5.1
MAI099	17	2	18.5

Au: *Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste*.

First pass drilling on the Kengkeuk prospect returned promising results including 3m at 7.5g/t Au.

Golden Grove

Mining and Production

Golden Grove zinc production was lower than expected due to unplanned changes to the mining schedule in the fourth quarter. Delays in stope filling resulted in high-grade stopes scheduled for mining in the fourth quarter being unavailable. This was compounded by the temporary lack of availability of remote loaders impeding access to the higher grade areas and resulted in mining moving to lower grade areas.

Copper mining was as planned and production of 15,404t was as forecast. Silver production of 3.2 million ounces was also as forecast.

Mill throughput for the year reached record levels due to commencement of certain mill improvement projects.

Mill throughput in 2008 is expected to further increase to approximately 1.75Mt/a.

Golden Grove zinc sales pricings were biased to the second half of 2007 seeing the average zinc price received for the year at US\$1.21/lb, which was lower than the LME average for 2007 and includes provisional pricing for those dispatches made at the end of 2007.

Production of contained metal in concentrates for 2008 is forecast at: 135,000t to 145,000t zinc, 20,000t to 25,000t copper, 3 to 3.5 million ounces silver, 50,000 to 55,000 ounces gold, 10,000t to 13,000t lead

Quarterly Golden Grove Production Statistics Table 9

	Units	Dec Qtr 2007	Full Year 2007
Mined Zn Ore	t	317,764	1,042,504
Mined Cu Ore	t	18,215	403,578
Grade Zn	%	11.6	14.1
Grade Cu	%	1.9	4.0
Milled Zn Ore	t	335,320	1,021,065
Grade Zn	%	11.3	14.0
Recovery Zn	%	92.7	92.1
Milled Cu Ore	t	40,653	431,954
Grade Cu	%	2.7	4.0
Recovery Cu	%	86.4	88.2%
Zn Concentrate	t	68,979	258,744
Zn Grade	%	50.7	51.0
Cu Concentrate	t	4,320	67,803
Cu Grade	%	22.1	22.7
HPM Concentrate	t	6,226	25,374
Cu Grade	%	6.9	7.0
Pb Grade	%	34.0	32.0
Au Grade	g/t	35.2	55.6
Ag Grade	g/t	2,537.1	2,697.9
Contained Metal in Concentrates*			
Zn	t	34,993	131,954
Cu	t	956	15,404
Au	oz	7,280	48,807
Ag	oz	713,574	3,165,408
Pb	t	2,117	8,119

* Where there are payable terms

Costs

Unit total cash costs of zinc were higher for the quarter, mainly due to lower production of copper concentrates.

Direct operating costs before realisation, by-product credit and royalties for 2008 are expected to be US55c/lb to US60c/lb.

Golden Grove Quarterly Costs

Table 10

All USc / lb*	Dec Qtr 2007	Full Year 2007
Operating	61	52
Realization	26	27
By-product credits	(31)	(57)
Royalties	5	7
Total Cash Costs	61	30
Depreciation & Amortisation	12	12
Rehabilitation	1	1
Total Production Costs	74	42

* Costs are per lb of zinc produced. Gold, silver, copper and lead are taken as credits.

Reporting error

Due to a faulty weightometer used to measure the filtered HPM concentrate production, an error in the reporting of gold, silver and lead production was made in the third quarter. As a result these production volumes were overstated. The table below describes the correct production volumes for the third quarter.

Table 11

	Q3 reported	Q3 actual
Gold (oz)	18,671	13,158
Silver (oz)	1,346,183	1,081,914
Lead (t)	2,798	1,907

This error consequently resulted in an overstating of the by-product credits in the third quarter. The table below describes the correct by-product credits and total cash costs.

This error had no impact on sales figures for the period.

Table 12

USc/lb	Q3 reported	Q3 actual
Operating costs	55	50
Realization	27	27
By-product credit	(58)	(49)
Royalties	7	7
Total Cash costs	31	35

Development costs associated with the re-opening of the Scuddles mine were expensed in the first three quarters of 2007. Following the successful commissioning of this project, an adjustment has been made allowing the capitalisation of this previous expenditure. The impact on prior quarter operating costs is shown in the table above.

Golden Grove Expansion Studies

Expansion studies are currently being conducted at Golden Grove to investigate the addition of open-pit mining and possible extensions of the underground mine. These studies aim to increase the mine life at Golden Grove to beyond 2020.

The copper oxide and sulphide open-pit study continued including resource validation work. Geotechnical, sterilisation and Resource drilling for the open-pits is due to commence in the current quarter and work to enable permitting for mining is underway.

The project remains on target for expanded copper production from the oxide pit by 2009 and subsequent mining of the sulphide material commencing in 2013.

Studies into extending the underground mining operations at Golden Grove also continued with the project on schedule for first production in 2012. Development, ventilation and haulage studies were ongoing and development to access drill platforms continued.

In addition to the improvements to mill throughput already gained at Golden Grove in 2007, engineering and de-bottlenecking studies on options to upgrade the capacity of the processing plant continued.

Golden Grove Exploration

Exploration beneath both the Xantho and Scuddles Deposits continued as part of mine expansion studies. Exploration drilling also resumed under the Hougoumont Deposit at Gossan Hill.

As reported last quarter, results from Xantho Extension suggest a substantial resource of both high grade copper and zinc exists. Drilling is in progress to test the southern extent of the deposit immediately south of the major copper and zinc intersections reported previously. The Xantho Extension remains open at depth vertically and at depth to the south.

At Cervantes, beneath the Scuddles deposits, drilling completed testing of the southern extent of the deposit but did not provide any significant intersections during the quarter with local intrusions having crosscut mineralisation in this area. Drilling is in progress to test the northern extent at depth. Cervantes zinc and copper potential remains open at depth vertically and at depth to the north.

At Hougoumont, drilling intersected 26.2m grading 4.4% Cu from 639m below and north of the projected depth extension of Hougoumont. Drilling in this area will resume in early 2008.

Preparations are well advanced for the 2008 regional exploration program concentrating on the tenements to the immediate south of Gossan Hill where historical zinc intersections remain to be followed up.

Marketing

Base metals prices were pushed lower during the quarter due mainly to the slowing US economy. The underlying fundamentals for industrial metals in Asia remain unchanged with a particularly firm outlook for copper. Refined copper supply continues to lag consumption, as global demand has climbed above 19Mt/pta.

The average LME copper price was 6.8% lower than the previous quarter at US\$3.26/lb, but was higher than the same quarter of the previous year. Zinc prices fell 18.7% over the quarter as mine supply improved and reported inventory levels increased. These inventories still however remain low and consumption is holding firm.

Gold prices continued to rally on the weaker US Dollar and concerns over global inflation, record highs of US\$914/oz were reached in January.

Prominent Hill

Mining and Construction

Pre-strip mining of the Prominent Hill orebody progressed well with the top of the orebody reached in October. Mining at the end of the quarter was ahead of schedule and under

budget. At the end of the quarter ore was being stockpiled for the commencement of processing.

During the quarter a major project progress review was undertaken (ASX Release 30/10/07). A combination of scope changes to the project, tight construction market conditions, and cost increases in materials and equipment saw the capital cost of the project increase by around 30% to \$1080 million. While the schedule has slipped in some areas, remedial efforts have seen the schedule for first production in the third quarter of 2008 remain intact. Progress on engineering by EPCM contractor Fluor improved during the quarter but remains behind schedule.

Construction, including civil foundations and tank work continued and installation of steelwork commenced during the quarter with up to 800 staff and contractors on site by year end.

Work also advanced on the water supply pipeline and drilling of production bores will commence in the coming quarter.

Good progress was made on the 132kV power transmission line with construction of the substation at Olympic Dam underway and foundation and tower erection continuing during the quarter.

A re-routing of a short section of the powerline caused a delay of approximately six weeks in the powerline schedule. Power will still be available on time for commissioning.

Prominent Hill production will ramp-up over the final months of 2008 with approximately 25,000t of copper, 15,000oz of gold and 75,000oz of silver expected to be produced. During this period, sales are unlikely to exceed 75% of production due to build up of inventory.

Prominent Hill Expansion Studies

Even before the commencement of production at Prominent Hill, studies are underway to examine the potential of mining Resources which extend immediately below the open-pit, followed by mining of a larger zone of mineralisation below this using bulk caving methods.

Scoping studies for the first program were the focus during the quarter with mining studies evaluating access options for underground development and investigating potential mining methods and mining rates. Scoping studies are scheduled to be complete this quarter prior to formal feasibility studies which will run through 2008 with a view to development in 2009 and first production from stage 1 underground in late 2011.

Prominent Hill Resource Development Exploration

Resource development drilling programs continued to focus on an improved definition of the Resource below the current pit to support underground mining studies. A second phase of drilling commenced this quarter specifically targeting two zones:

- Deep extensions of thick, mineralised haematite breccias characteristic of Prominent Hill Shear Zone mineralisation and adjacent ore domains.
- Extensions to haematite altered Cu/Au bearing breccias directly beneath the eastern Au zone and eastern margin of the Prominent Hill pit.

Mineralisation has been confirmed at depth, east and west of the current planned pit, and has highlighted a number of prospective targets for further resource increases.

Highlights from the deeper drilling received during the quarter were:

Table 13

Hole	From (m)	Interval (m)	Cu (%)	Au (g/t)
PH07D296	745	46	-	1.39
PH07D313	660	80	1.25	0.44
PH07D332	851.5	28.5	1.65	0.87
PH07D336	1015	18.4	2.39	0.79

Au: "Fire assay, weighted averages of approximate 1 metre sample intervals, 0.5g/t Au lower cut-off, max 2m internal waste".

Cu: "intercepts are weighted averages calculated using a 0.3% copper cut-off grade; maximum internal waste is 2 metres".

Prominent Hill Regional Exploration

Near mine exploration returned encouraging results on either side of the open pit. Drilling approximately 800m west of the pit at the Western Gravity Ridge, returned 50m at 1.8% Cu and 0.6g/t Au from 350m in chalcocite-bornite breccia.

Drilling 500m west of the pit tested several hundred metres beneath anomalous Cu and Au values from historical RC drilling. Best intersections included 23m at 0.6g/t Au from 537m, 9m at 0.7% Cu and 1.2g/t Au from 593m, and 13m at 1.7g/t Au from 602m.

Approximately 400m east of the open-pit, drilling returned significant results including 71m at 2.3% Cu, 0.5g/t Au, and 5.1g/t Ag (from 336m),

representing the most easterly mineralised intersection in this domain to date. In the same hole, 65m at 1g/t Au (from 177m) was recorded in haematite breccia from the top-of-basement. Further drilling is planned.

Regional drill testing of high priority targets in the Mt Woods Inlier continued. At the Taurus prospect, drilling intersected altered sedimentary and volcanic sequences with sulphide-rich zones. At the Larissa prospect, drilling intersected magnetite-altered intervals of Prominent Hill stratigraphy. Assays are awaited for all drilling.

Martabe Gold Project

During the quarter Oxiana's Board approved development of the Martabe gold and silver project in North Sumatra in Indonesia (ASX Release 19/12/07).

Construction of the project will commence on receipt of final approvals from the Government of Indonesia, which are expected by April 2008.

The Martabe project is currently based on the single Purnama deposit which has an initially identified mine life of 9 years with annual production of 200,000oz of gold and 2,000,000oz of silver. Two other adjacent deposits, Baskari and Pelangi, plus primary gold potential at depth and other un-explored areas of Oxiana's tenement represent significant upside potential.

The capital cost of the project is estimated at US\$310 million (including contingency and escalation allowances of US\$48m). Average annual total cash costs of production are estimated at US\$270/oz.

Mining of the Purnama deposit at Martabe will be undertaken by conventional open-pit methods with a low average strip ratio of 0.7:1. The processing plant will be a large-scale ore processing plant treating 4.5 million tonnes of ore per annum using proven SAG and ball milling and carbon-in-leach (CIL) technology. Recoveries are expected to average 76% for gold and 55% for silver. The plant and infrastructure will be designed to allow for future expansion.

During the quarter the permitting process continued successfully and discussions with potential EPCM contractors continued.

Subject to the receipt of the necessary approvals, it is expected that construction of the process plant will commence on site in July 2008, with practical completion and commissioning scheduled for December 2009.

Martabe Near Mine Exploration

Infill drilling to upgrade confidence in the Purnama Resource for early mining confirmed a robust deposit with good geological and grade continuity.

Results from the drilling included 94.6 m @ 2.9 g/t Au and 26 g/t Ag from 1.5m.

Drilling in 2008 will continue to target north and south extensions to the deposit and geophysical targets to the west of the pit.

An updated Resource model for the Barani mineralisation is nearing completion, incorporating the new drilling results.

Martabe Regional Exploration

Regional exploration accelerated in the Martabe district.

Approximately 30km southeast of Martabe, surface exploration continued at the Natas and Natas West prospects (Kapur-Gambir district). Rock chip samples of high sulphidation style mineralisation from Natas west returned values up to 0.77g/t Au, 2.46% Cu and 148 g/t Ag. First pass drill testing of these prospects is planned for early 2008.

A detailed assessment of all stream sample data from the Martabe Contract Of Work area was completed. Several base metals anomalies were highlighted for follow up along with the numerous gold anomalies identified from previous airborne geophysics and surface exploration.

Regional Exploration

Oxiana has undertaken year-end critical reviews of all of its exploration projects with some projects and joint ventures discontinued as a result.

Australia

Woolgar (Strategic Minerals Corp JV - Oxiana earning up to 70%)

Oxiana withdrew from the JV during October, following a review of all drilling data.

Minotaur – Oxiana Generative Alliance

Minotaur completed drilling programs at Bulgunnia, approximately 100km south west of Prominent Hill; Naraku, 30km north of Ernest Henry; Thompson, to the north of Cobar and at Trumpeter, 40km north east of Prominent Hill. Assay results are pending.

Mt Gibson JV (Legend Mining, Oxiana earning 75%)

A detailed geological review of the 225 sq km Mt Gibson JV tenement holding, located 100 km south of Oxiana's Golden Grove mine, was undertaken prior to commencement drilling in early 2008.

Wiluna

Oxiana continues to consider options for the potential development of its 80 Mt Nickel laterite deposit at Wiluna. Work was also ongoing to assess of the entire Wiluna tenement package, including review of more than 50 years of exploration data. Field evaluation and sampling of a Banded Iron Formation (BIF) horizon in the western Wiluna tenements was undertaken and several nickel prospects were field evaluated.

Laos

Final results of a project generation and Laos wide reconnaissance program under the AngloGold Ashanti Alliance proved disappointing and the partners have decided not to extend the Alliance. Oxiana in its own right continued assessment of base metal opportunities in several Provinces.

Thailand

Thai Goldfields Joint Venture (Oxiana 75%)

Following a technical review, the country-wide Thai Goldfields JV Alliance was discontinued and replaced by project specific agreements covering a gold prospect in south-eastern Thailand and VHMS style base metals mineralisation in north-central Thailand.

Surface exploration continues to highlight excellent potential on the latter project and geophysical programs to define drill targets are planned. Tenements processing is ongoing with grant required prior to drilling.

A number of divestment options covering Oxiana's 75% equity interest in the Chatree District gold project are currently being considered.

Thailand Regional

Evaluation of opportunities elsewhere in Thailand was ongoing. Applications were submitted covering several blocks of tenements prospective for iron ore. Surface indications are promising.

China

Rexing JV (Oxiana earning up to 80%)

Drilling at Laoxuzhai was completed. Recent results include 4.3m at 5.7% Zn, 1 % Pb, 0.33g/t

Au, 0.3% Cu and 22 g/t Ag. Mineralisation, however, is associated with a narrow fault controlled lenses and unlikely to generate significant tonnages. Divestment options for Oxiana's 25% equity interest in the project are being considered.

An MOI was signed with the Ningxia Institute of Nuclear Geological Exploration for Ni-Cu exploration in the Jinchuan Ni belt in Inner Mongolia. Project generation teams continued field and geological assessment of other base metals opportunities across several Provinces.

Cambodia

Shin Ha JV (Oxiana 80%)

Surface exploration continued to delineate additional drill targets in the Okvau area of central Cambodia where previous drilling has outlined a promising intrusion-related gold system. Drilling to follow up previous results and test a suite of new targets is planned for early 2008. At Oput, immediately north of Okvau, geological mapping continued to define a sizable linear geochemical trend which will also be drill tested.

At the Phnom Chi project (north-east of Phnom Penh), two holes were drilled on the Opuu prospect and a ground magnetic survey was completed. Final results are awaited.

Initial surface exploration of a sediment-hosted copper prospect held under an MOI signed with a private Cambodian exploration company outlined good continuity of the shallow dipping prospective package over several kilometres of strike.

Indonesia

Kalimantan Gold Agreement (Oxiana earning 66.67%)

Drilling on the Kalimantan Gold Corp JV farm-in program was completed and all results compiled and assessed. Copper-Molybdenum-gold porphyry mineralisation was intersected at Beruang Tengah with a best result of 202.5m at 0.11% Cu, 47ppm Mo and 0.14g/t Au from near surface. At Beruang Kanan, the presence of widespread low tenor copper mineralisation was also established with a best result of 44m at 0.6% Cu from near surface reported previously. Porphyry style mineralisation was confirmed at Mansur.

While it is evident that the KGC area represents a large porphyry intrusion related district, Oxiana decided to withdraw from the JV in December following a review of all drilling data.

Development of an Indonesia wide GIS database continued and several projects were evaluated.

New Project Generation

New project generation activities continued across Asia-Pacific and Australia including examining opportunities to acquire interests in nickel laterite properties in South East Asia with a focus on Indonesia. These opportunities will be actively pursued over the next quarter.

Corporate

Reinvestment of Unclaimed Dividends

Where dividends for 2006 remain unclaimed Oxiana has reinvested the dividend amounts into Oxiana shares for shareholders registered in Australia and New Zealand. This is in accordance with a modification to the Oxiana Constitution approved by shareholders at the Annual General Meeting held on 2 May 2007. During December 2007 Oxiana utilised this facility for the first time with respect to dividends paid on 28 April 2006 and 6 October 2006. This is intended to benefit the shareholders affected as they have now received shares in their own name instead of having to claim the dividends (which do not bear any interest) from the Company or under the unclaimed monies legislation.

Performance Rights Plan

Oxiana has approved grants totalling 1,603,530 Rights to employees under its Performance Rights Plan. If all performance conditions are met this will result in all Rights being allocated to employees in 12 months time.

Full Year Financial Results

Oxiana's 2007 full year financial results will be released to the market on Wednesday 20th February 2008.

Resignation of Director

Peter Cassidy tendered his resignation as a Non-Executive Director of Oxiana Limited with effect from 27 November 2007.

Annual General Meeting

Oxiana's 2008 Annual General Meeting

Date: Thursday 17th April 2008

Venue: Melbourne Exhibition Centre Auditorium
Level 2, 2 Clarendon St,
Southbank, Victoria

Time: 10am AEST

Registration: From 9am AEST

Webcast:

<http://www.oxiana.com.au/AGM2008.asp>

Share Registry

Link Market Services
Level 9, 333 Collins Street
MELBOURNE VIC 3000

Telephone:

Australia: 1300 55 44 74

International: +61 2 8280 7111

Facsimile: (02) 9287 0303

Email: registrars@linkmarketservices.com.au

Corporate Information

Board Members

Barry Cusack	Chairman
Owen Hegarty	Managing Director and CEO
Ronald Beevor	Non Executive Director
Michael Eager	Non Executive Director
Brian Jamieson	Non Executive Director

Executive Committee

Owen Hegarty	Managing Director and CEO
Peter Albert	EGM Asia
David Forsyth	Company Secretary
Russell Griffin	GM Marketing
Peter Lester	EGM Corporate Development
Antony Manini	EGM Exploration & Resources
Stephen Mullen	GM Human Resources
John Nitschke	EGM Australia
Jeff Sells	Chief Financial Officer

Issued Share Capital

At December 31, 2007

Ordinary shares: 1,545,427,293

Unlisted options: 27,000,000

US\$105,000,000 of convertible bonds still outstanding, which represents 109,717,868 shares to be issued.

Share Price Activity for the December Quarter

High \$4.28

Low \$3.39

Last \$2.58 (22 January 2008)

Average daily volume 16.688 million shares

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Investor enquires contact: Richard Hedstrom

Media enquiries contact: Natalie Worley

Within this statement references to Resources and exploration results have been approved for release by Mr A. Manini BSc(Hons), FAusIMM who is a Competent Person as defined by the JORC Code (2004). He has consented to the inclusion of the material in the form and context in which it appears.