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AIM: OSU
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PRESS RELEASE
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Orsu Metals Corporation

Orsu announces update on Varvarinskoye and exploration projects, gold hedge settlement and amendment of Board

Orsu Metals Corporation (“Orsu”, or the “Company”) (AIM: OSU, TSX: OSU) is pleased to provide a corporate and project update of ongoing work at the Varvarinskoye copper-gold mine, Kazakhstan and the Company’s exploration projects in Kazakhstan and Kyrgyzstan.

VARVARINSKOYE PROJECT UPDATE

The 100% owned Varvarinskoye copper-gold mine is located 130km southwest of Kostanai in Northern Kazakhstan. The mine produces for sale copper-gold concentrate and gold doré. Subsequent to the formation of the Company during mid June 2008, Orsu’s main focus has been the ramp-up of mining operations at Varvarinskoye where capacity has now reached 80%.

The plant has seen significant increases in throughput and operated at 79% of design throughput during August, with over 280,000 tonnes processed. Since commencement of production at Varvarinskoye, the mine has produced 2,384.5 tonnes (5.25Mlb) of copper and 820kg (26,368 oz) gold, including:

- 12,949 tonnes of copper-gold concentrate containing;
 - 2,384.5 tonnes (5.25Mlb) of copper and
 - 286.9 kg (9,224 ozs) of gold
- 820 kg (26,368 oz) gold, comprising
 - 533.3 kg (17,145 ozs) gold in doré and
 - concentrate as above

Total production revenue to date is approximately US\$35 million.

Low Cost Project Upgrade

The Company is implementing a plan to add a secondary low cost screening and crushing plant at Varvarinskoye which is expected to significantly increase throughput in the leach and flotation grinding circuits.

Orway Mineral Consultants Pty Ltd (Australia) (“Orway”) has been working with Varvarinskoye engineers since May in making improvements to the grinding circuits. With the assistance of Orway, Orsu has determined that both grinding circuits are highly dependent on the size-distribution of feed ore. Ore originating from the mine lacks in fineness over the middle fraction and the intention is to screen the coarse ore from the jaw-crusher into three sizes and further crush the middle fraction of the screened product.

The additional crushing of the feed to the leach grinding circuit should increase the throughput to 3.6 million tonnes per annum (“mtpa”) or 120% of design capacity. This would represent a 30% increase over what the grinding circuit is currently achieving.

Throughput of the flotation grinding circuit should be increased to 1.3mtpa, or 108% of design capacity. This would represent a 50% increase over what the grinding circuit is currently achieving. Overall capacity of the mill is expected to increase to 4.9mtpa or an increase of 17% over original design capacity. The cost of the proposed upgrade will total approximately US\$5 million and is due to be completed during Q2 2009.



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Randy Reichert, Orsu's Chief Operations Officer commented:

"The low cost project upgrade is expected to significantly increase throughput of the grinding circuits and in one step solves the current flotation grinding-circuit problems and provides us with a mill expansion. We do not anticipate having to significantly change the leach or flotation circuits post-grinding to accommodate the increased throughput and the mine is expected to meet production based on the sustaining capital costs already built into the life of mine model. An initial scoping study outlined two options for mill expansion; installation of an additional grinding circuit or modification of existing circuits to achieve capacities of 6mtpa and 5mtpa respectively. Management feels this second option provides an optimum increase. Additionally, this project upgrade is achievable in significantly less time than the two years it would likely take to engineer and construct a second grinding circuit."

Update on production ramp up

- Leach circuit grinding has been running at over 90% throughput with some days having achieved 100% throughput. Throughput is highly dependent on feed size distribution.
- Flotation circuit grinding appears to be limited to 110tph compared to designed capacity of 155tph. This is due to the mentioned feed size distribution and the hardness of ore, along with the mill design which was marginal for the required design throughput.

To enable mine management to meet forecast operating profit, the grinding circuits may at times be switched to maximise the throughput in the flotation circuit which generates higher return per tonne of ore. This would allow higher concentrate production compared to what would be achieved operating the regular circuits. The circuits will be switched according to feed available from the mine.

Varvarinskoye's open pit continues to operate on a normal basis and steps are being taken to improve overall productivity by optimising truck positioning around the excavators and maximise the hours worked per day. Mine grades will be lower in Q3 due to a lack of waste mining in the first two quarters of the year when previous management focused on high-grade ore production and shut down one of two shifts to conserve cash. This necessitated an increase in waste mining during Q3 and is expected to expose higher-grade ore for extraction in Q4, 2008.

Varvarinskoye Hedge Settlement

On 3 September 2008, the Company settled in advance its September to December 2008 gold forward contract obligations (a total of 27,340 ozs) at a settlement price of USD\$794.75/oz, resulting in a settlement payment of USD\$6,028,000 net of the forward sales price of USD\$574.25/oz.

EXPLORATION PROJECT UPDATES

Karchiga project, Kazakhstan

Micon International Co Limited has been contracted to carry out a preliminary assessment (scoping study) on the Karchiga massive copper sulphide project in Kazakhstan. The scoping study is expected to be completed by mid-December 2008 and is targeted to provide a preliminary estimate of resource/reserve conversion, an estimate of costs including capital costs, as well as preliminary estimate of environmental aspects of the project.

Orsu is progressing Karchiga's development and exploration drill programmes, with 8,000m of diamond drilling completed to date this year. The primary scope of the 2008 programme is to upgrade the previously reported mineral resource at the Karchiga project to Measured and Indicated categories. The total drilling programme consists of 11,000m of which 9,000m is to be drilled at Karchiga's Central and North Eastern mineralised areas with an additional 2,000m planned to test new exploration targets. The identification of these new targets is based on historical work plus recently acquired geochemical and induced polarization ("IP") geophysical data carried out by Orsu since obtaining the licence in 2006. The target areas lie approximately 5km along strike from the Central zone with the area exhibiting very similar geological terrain and structural characteristics.



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Talas project, Kyrgyzstan

Orsu is conducting exploration at the Talas project in Kyrgyzstan, designed to upgrade the previously reported Inferred and Indicated categories of mineral resources to Measured and Indicated, as well as to test new exploration targets. This year, the company completed 4,000m of infill drilling at Taldybulak Central.

Orsu has received results of preliminary metallurgical test work carried out on a 1,020kg sample of the Taldybulak mineralised material. The test work was performed at the UK facilities of Wardell Armstrong International.

Two main material types were tested: primary sulphide and transitional. The primary sulphide responded very well to the flotation test, including locked cycle test. The primary sulphide sample was made up of core obtained from three separate drill holes in the Eastern, Central, and Western parts of Taldybulak with a final head grade of 0.17% Cu, 0.01% Mo, and 1.02 g/t Au. It was demonstrated that a concentrate grading 18.31% Cu, 0.27% Mo, 83.8 g/t Au and 92.64 g/t Ag can be produced with 70% to 90% recovery for Au and Cu. The transitional ore grading 0.28% Cu, 0.005% Mo, and 0.25 g/t Au reported poorer results to the floatation test, as expected. However, a concentrate grading 18.17% Cu, 0.16% Mo, and 28.12 g/t Au at recoveries of 50% to 80% was achieved. No penalty elements such as Cadmium or Arsenic were reported to be contained in the concentrate.

The company is continuing test work on the oxide material from the system, which will involve a bottle-roll cyanide leach test work.

DIRECTOR APPOINTMENT

The Board of Orsu Metals is pleased to announce the appointment of Mr Massimo Carello, aged 60, as Non-Executive Director. Mr Carello held the position of Non-Executive Director of Lero Gold Corp. and currently holds non-executive positions with Uranium One Inc. and Canaccord Capital. Mr Carello has over 30 years of international senior management and director level experience and was a director within the past five years of UrAsia Energy Ltd and Anker Systems plc and was a former Chairman and CEO of Fiat UK and Diners Club UK.

Further to Mr Carello's appointment to the board of directors of the Company, the following persons shall constitute committees of the board:

Governance and Nominating Committee	Compensation Committee	Audit Committee
Massimo Carello (Chairman)	Timothy Hanford (Chairman)	Mark Corra (Chairman)
Timothy Hanford	Massimo Carello	Timothy Hanford
Mark Corra	Mark Corra	Massimo Carello

As a result of Mr Carello's appointment, Mr William Kennedy and Mr Merfyn Roberts have stood down as Non-Executive Directors of Orsu. Both joined Orsu from European Minerals Corporation.

Further to Mr Carello's appointment to the board of Orsu, he has been granted 300,000 incentive stock options at the exercise price of CAD\$0.24. Subsequent to this grant his total option holding is 500,000. He also holds 250,000 shares in Orsu.

Dr Sergey V Kurzin, Executive Chairman of Orsu commented:

"Varvarinskoye's management continues to work extremely hard to isolate and identify ramp-up issues and quickly implement solutions to improve overall mine production and ore processing. I am also pleased to report that our exploration work in Kazakhstan and Kyrgyzstan is maintaining pace with drilling programmes at the Karchiga and Talas projects both designed to upgrade previously reported categories of mineral resources for both projects to Measured and Indicated categories.



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I am delighted Massimo Carello has agreed to join the Orsu board. Massimo's operational skills will complement our existing high quality team, and I know that we will be able to draw on his vast experience and impressive track record."

ENDS

Notes to editors:

1. FORWARD-LOOKING INFORMATION

This press release contains or refers to forward-looking information. All information, other than information comprised of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information includes statements contained in this press release regarding estimates and/or assumptions in respect of mineral resources, future exploration, development and operational plans and objectives, including, but not limited to, the estimated value of gold-copper concentrate produced from Varvarinskoye; the Company's plan to add a secondary low cost screening and crushing plant at Varvarinskoye, as well as the expected level of increased throughput that would result from additional crushing; the anticipated cost of the project upgrade; the Company's expected timing or completion of the scoping study at Karchiga, as well as the anticipated results of the scoping study; the Company's expectations with respect to its continued exploration efforts at its Talas project; and the Company's expectation of and timing for reaching commercial production levels by at Varvarinskoye.

Such forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the expected commencement of commercial operations; the inability to delineate additional mineral resources; and other factors. All forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

2. The technical information within this press release has been reviewed by Matthew Boyes (Mineral Resource Manager, Orsu), a qualified person as defined by Canada's NI 43-101. Previously released press releases providing technical updates on the Varvarinskoye, Karchiga and the Talas projects can be viewed on www.sedar.com.

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